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**CVM Instruction N° 560, of march 27<sup>th</sup>, 2015  
(with changes introduced by CVM Instruction N° 574/15)**

Disposes on the registration, operations and information disclosure of non-resident investor in the country.

**THE PRESIDENT OF THE SECURITIES COMMISSION – CVM** makes public that the Collegiate, in session held on March 25<sup>th</sup>, 2015, based on item I of Article 8 of Law n° 6.385, of December 7<sup>th</sup>, 1976, and on Article 2 of Annexed Regulation I of CMN Resolution n° 4.373, of September 29<sup>th</sup>, 2014, **APPROVED** the following Instruction:

**CHAPTER I – REGISTRATION OF A NON-RESIDENT INVESTOR**

**Section I – General Rules**

Article 1 – Previously to start operating in the country, the non-resident investor must register with CVM through their representative, submitting the information described in Annex I to this Instruction

Article 2 – The following are eligible to apply for registration: investors, individually or collectively, the natural or legal persons, the fund or other collective investment entity, residing, headquartered or domiciled abroad,.

Article 3 - The non-resident investor may register as:

I – Proprietary account holder;

II – Omnibus account holder; or

III – Passenger in an omnibus account.

§ 1 - The proprietary account holder may operate solely in their own behalf.

§ 2 - The omnibus account holder may operate on the behalf of other non-resident investors, admitted as passengers of an omnibus account.

Article 4 - The investor may operate with their own resources in an omnibus account that they hold, as long as they are also registered as a passenger.

Article 5 It is only permitted to be a holder of an omnibus account the investor whose qualifications fall within what is disposed in items I to XII of § 1 of Article 1 of Annex I.

## **Section II – Registration of a Non-resident Investor**

Article 6 - The registration of a non-resident investor shall not be granted automatically.

Article 7 - The non-resident investor registration request must be sent electronically to the Superintendence of Institutional Investor Relations – SIN with the information contained in Annex I of this Instruction.

Article 8 - The registration shall come into effect 1 (one) business day after the receiving of the information described in Annex I.

Sole paragraph. The SIN may, at any time, request the correction or the changing of the information described in Annex I.

Article 9 - The SIN must suspend the registration of a non-resident investor whenever it is noted that the investor does not fulfill any of the requisites established in the specific regulation issued by the CMN for the initiation of the investor's operations.

## **Section III - Representation**

Article 10 - The representative of a non-resident investor must be a financial institution or institution authorized to function by the Central Bank of Brazil.

Article 11 - The representative of a non-resident investor in the country must act on his representation duties described in this Instruction in good faith, with diligence and loyalty.

Article 12 - It is the duty of the representative:

I – Provide all the necessary information for the registration of the non-resident investor with CVM;

II – Keep up-dated all the non-resident investor information described in Annex I;

III – Present to the CVM, whenever requested, the following documents:

a) Representation Agreement; and

b) Custody Agreement for the provision of custody services, between the non-resident investor and the legal person authorized by CVM to provide said service;

IV – Provide to the CVM all requested information regarding the non-resident investors he or she represents; and

V – Immediately communicate to the SIN the revoking of the Representation Agreement.

Article 13 - The information provided regarding the non-resident investor must be true, complete and consistent.

## **CHAPTER II – PERIODIC INFORMATION**

Article 14 - The representative must send to CVM, through the electronic system available in the CVM's webpage in the world computer network, the following information:

I – monthly report, indicating the movement and consolidated applications of the resources belonging to passengers of omnibus accounts and to proprietary account holders represented, in accordance with what is disposed in Annex 14-A, until 10 (ten) business days after the end of each month; and

II – biannual report, indicating the movement and consolidated applications of the resources belonging to passengers of omnibus and to proprietary account holders represented, in accordance with what is disposed in Annex 14-B, until 15 (fifteen) business days after the end of each semester.

§ 1 - The central securities depositories, custodians, organized market administrators (exchanges and OTC), registration entities, settlement systems, registrars and investment fund managers must provide to the representative all necessary information for the elaboration of the periodic reports described in this article, related to securities and financial assets held by the non-resident investor represented.

§ 2 – The dispositions of the previous paragraph does not impair the representative's responsibility for the provision of the information described in Article 14, within the established deadlines.

## **CHAPTER III – NON-RESIDENT INVESTOR'S OPERATIONS**

### **Section I – General Rules**

Article 15 - The non-resident investor may hold and/or be passenger in one or more accounts.

Sole paragraph. - In case the non-resident investor chooses to maintain their financial assets and securities in separate custody accounts or with more than one custodian, the agreement for provision of custody services must contain a clause describing the operational procedures for transfers between the referred accounts, including regarding the information that should be provided to the account holder and their representatives.

Article 16 - The termination or cancelling of a Custody Agreement without indication of a new custodian by the non-resident investor must be immediately communicated by the custodian to the SIN.

Article 17 - The registration number assigned by CVM (CVM code) must be included in all operations performed in the name of each investor, passenger in a omnibus account or holder of a proprietary account, in order to allow identification of the final beneficiary in the referred operations and to ensure the segregation between the orders of the account holder and of each passenger.

Article 18 - In case the non-resident investor acts through a foreign intermediary, the Custody Agreement may be signed by said foreign intermediary on behalf of the non-resident investor.

Sole paragraph - In case the Custody Agreement is signed in the terms of the **caput**, the custodian must ensure that the non-resident investor be a client of the foreign intermediary, in which they must be duly registered in as determined by the applicable legislation in their country of origin.

### **Section II – Operations Outside of the Organized Market**

Article 19 - The acquisition or sale of securities outside of the organized market is permitted only in the following situations:

- I – Subscription;
- II – Stock dividends;
- III – Conversion of debentures or other securities into shares;
- IV – Redemption or reimbursement, in cases approved by the Law;
- V – Dividends paid in securities;
- VI – Subscription, amortization or redemption of investment funds' quotas regulated by CVM;
- VII – Cession or transfer of open-ended mutual investment fund quotas in the cases described by specific regulation issued by CVM;
- VIII – Free or onerous transfer of corporate actions due and not yet paid to a non-resident investor with the purpose of closing of a custody account;
- IX – Free transfer of subscription receipts, as transferor or transferee;
- X – Judicial transaction, judicial, arbitral or administrative decision;
- XI – Sale of securities which are no longer authorized to be traded in an organized market, due to cancellation or suspension;
- XII – Sale of shares due to actions, taken by right or by obligations stipulated in shareholders' agreement, signed and archived at CVM for over six months;
- XIII – Public offering of securities distribution;
- XIV – Public offering for acquisition of shares – OPA, in the cases the CVM authorizes that offering adopts other proceedings than auctions in organized markets, in terms of the specific regulation; and
- XV – Put option for remaining shareholders in OPA.

§ 1 - Given previous justified request, CVM may authorize the use of external resources which have entered the country, in the terms of the specific regulation issued by CMN, in operations of securities acquisition or sale outside organized markets in cases not described in the **caput**, taking into account all other specific norms related to the subject.

§ 2 - In the case described in item of the **caput**, the subscription is permitted regardless of having resulted from the exercise of preemptive rights as set on Article 171 of Law n° 6.404, of December 15<sup>th</sup>, 1976.

§ 3 - Except in case of court order, the institution authorized to provide bookkeeping services (registrar) must only register the sale of securities registered in the name of the non-resident investor with the acquiescence of their representative, responsible for evaluating if the intended transaction is in conformity with the rules of this Instruction.

### **Section III – Transfers between Non-Resident Investors**

Article 20 - Transfer of positions and securities among non-resident investor are permitted provided that they result from:

I – merger, split, incorporation, merger of shares and succession **causa mortis**; and

II – other corporate operations that do not result in a change of the final assets holders and of the quantity of financial assets and securities belonging, directly or indirectly, to each investor involved in the operation.

Sole paragraph - CVM may authorize, upon justified request, the transfer of positions/securities among non-resident investors in situations not described in the **caput**, as long as other specific regulations on this matter are respected.

Article 21 – The transfers aforementioned in Article 20 must be informed to CVM by the investor's representative whose position/securities are being transferred with the supporting documentation and the monthly reported attached.

### **CHAPTER IV – ARCHIVE MANTAINANCE**

Article 22 – The representative must keep all documents and information required by this Instruction for a minimum of 5 (five) years or for a longer period of time should CVM determine so.

Sole paragraph - The documents and information referred in the **caput** can be stored in physical or electronic formats and physical documents can be substituted by their digital images.

## **CHAPTER V – FINAL DISPOSITIONS**

Article 23 - The representative is subject to daily fines of R\$ 500.00 (five hundred Reais) in case of non-compliance with the deadlines established in this Instruction for providing the periodic information.

Article 24 - The non-compliance with the obligations established in articles 1º; 13; 14; 16; 17; 19, §1º; 20, sole paragraph; and 21 of this Instruction is considered a serious infringement, considering the dispositions of article 11, §3º, of Law nº 6.385, of December 7, 1976.

Article 25 – The CVM communications established in this Instruction are valid if sent through electronic messaging and sent to the representative's address, according to his registration information.

Article 26 - The information provided in Annex 1 will be demanded for submitting registration requests as of January 1st, 2016.

Sole paragraph - As long as the Annex 1 is not mandatory, the representative can submit the registration request for a non-resident investor with the information currently demanded in the CVM electronic system for non-resident investors' registration.

Article 27 – The representatives should update the registration information of all non-resident investors they represent according to the dispositions established in the Annex I until March 31, de 2016.

Article 28 – The periodic information aforementioned in article 14 should be provided as of July 1st, 2016.

§ 1 - As long as article 14 is not enforceable, the representative should provide the following information, in accordance with the current content available in the electronic system provided by CVM for information delivery:

I – monthly report consolidated by account holder, in up to 5 (five) business days after month-end;

II – monthly report consolidated by representative, in up to 5 (five) business days after month-end;

III – bi-annual report per passenger, in up to the 15th of the semester-end subsequent month; and

IV – eventual report of position/securities transfers between non-resident investors as disposed in article 21.

§ 2 - The supporting documents related to the transfers aforementioned in article 21 must be sent to SIN through electronic mail as long as article 14 is not enforceable.

§ 3 – The dispositions of article 23 do not apply to the information provided in the terms of § 1 and § 2 of this article.

Article 29 – This Instruction comes into effect on the date of its publication.

Article 30 - On the date this Instruction comes into effect the following norms are revoked:

I – Instruction CVM nº 325, of January 27, 2000;

II – Deliberation CVM nº 366, of November 10, 2000;

III – Instruction CVM nº 353, of July 17, 2001;

IV – Instruction CVM nº 419, of May 2, 2005; and

V – Deliberation CVM nº 532, of January 29, 2008.

Original signed by  
**LEONARDO P. GOMES PEREIRA**  
President



## **ANNEX 1**

### **Information for Submitting Non-resident Investor Request for Registration**

Article 1 – In order to make the registration of a non-resident investor, the representative must send to CVM the following information about the non-resident investor through the electronic system available in CVM's webpage in the world computer network:

I – Name or company name;

II – if the non-resident investor is a natural or a legal person;

III – in case the non-resident investor is a natural person, inform:

a) Mother's name;

b) Sex;

c) Date of birth; and

d) Nationality;

IV – Complete address;

V – Electronic address;

VI – Country of tax domicile;

VII – Identify if the non-resident investor is:

a) Proprietary account holder;

b) Omnibus account holder; or

c) Passenger in an omnibus account, specifying the said account;

VIII – Qualification;

IX – Tax representative;

X – Custodian; and

XI – Contact information on the person indicated by the representative in relation to the request, informing:

- a) Name;
- b) Telephone; and
- c) Electronic address.

§ 1 – The qualification referred in item VIII of the **caput** must be one of the following:

I – Central banks;

II – Governments or governmental entities;

III – Sovereign fund or Investment Company controlled by sovereign fund;

IV – Multilateral organisms;

V – Commercial banks, investment banks, savings and loan associations, and global custodians and similar institutions, regulated and inspected by competent governmental authority;

VI – Insurance companies regulated and inspected by competent governmental authority;

VII – Institution or entity that has as objectives the distribution of issued securities or the intermediation of securities trading, acting on their own behalf, registered and regulated by organism recognized by CVM;

VIII – Pension entity regulated and inspected by competent governmental authority;

IX – Not-for-profit entities provided they are regulated and inspected by competent governmental authority;

X – Any other entity that has as objective the investment of financial resources in the financial and capital markets, in which only participate natural and legal persons resident and domiciled abroad, provided that:

- a) The entity is registered and regulated by organism recognized by CVM; or

b) The portfolio management is performed in a discretionary way by a professional administrator registered and regulated by organism recognized by CVM;

XI– Other funds and collective investment entities;

XII – Entities organized as **trusts** or other fiduciary vehicles;

XIII – Societies constituted with bearer bonds;

XIV – Foreign legal persons not characterized in the previous categories; or

XV – Natural person resident abroad.

§ 2 – With respect to the dispositions of items VII and X of § 1, CVM recognizes the entities that are compliant with at least one of the following requirements:

I – The entity is located, directly or indirectly, in a jurisdiction that is not classified by the Financial Action Task Force (FATF) against money laundering and terrorism financing as non-cooperative, of high risk, or strategically impaired for fighting and preventing money laundering and terrorism financing; and

II – The entity submits to the supervision to securities regulator that has signed with CVM an agreement for mutual cooperation that allows the investors' financial information exchange, or is a signatory of the Multilateral Memorandum of Understanding of the International Organization of Securities Commissions (IOSCO).

Article 2 - The representative must keep archived the non-resident investor's declaration certifying that the information provided in the context of this annex are truthful and that the representative accepts the responsibility resulting from them, under penalty of law.

Sole paragraph – the declaration mentioned in the **caput** must contain:

I – The signature of the non-resident investor, or f his/her representative;

II – The signature of the representative; and

III – Date.

## **ANNEX 14-A**

### **Content of the Monthly Report**

Article 1 – The monthly report must provide the following information:

I – Information on the passenger of omnibus account or proprietary account holder, indicating:

- a) Name and code; and
- b) Document's reference date;

II – Resources movements, indicating:

- a) The value of financial resources entering and leaving the country within the period; and
- b) The movements of financial resources within the period, segregated by:
  - 1. Financial resources transfer between investments' modalities;
  - 2. Financial resources received from other representative; and
  - 3. Financial resources transferred to other representative;

III – Financial resources invested, informing:

- a) Type of investment, classifying in one of the following categories:
  - 1. Shares and equity capital;
  - 2. Shares and other securities given in loans;
  - 3. Debt instruments– fixed income–government bonds;
  - 4. Debt instruments– fixed income— state or municipal bonds;
  - 5. Debt instruments– fixed income— issued by financial institution or by institution authorized by the Central Bank of Brazil;
  - 6. Debt instruments– fixed income— issued by non-financial company;
  - 7. Investment funds quotas– shares portfolio;

8. Investment funds quotas—fixed income instruments portfolio;
9. Investment funds quotas—real state;
10. Investment funds quotas—private equity;
11. Investment funds quotas—credit rights.
12. Investment funds quotas— other portfolios;
13. Gold;
14. Availabilities;
15. Interest rate future contracts;
16. Foreign exchange or exchange coupon future contracts;
17. Foreign exchange swap contract with periodic adjustment;
18. Shares index future contracts;
19. Other future contracts;
20. Interest rate options;
21. Foreign exchange options;
22. Shares index options;
23. Other options;
24. Other derivative instruments;
25. Other investments;
26. Collectability for shares and other securities received in loans;
27. Other collectability;
28. Yet to receive share sales;
29. Yet to receive rights related to shares; and

30. Other yet to receive values;

b) Market value (fair value Level 1) on the last business day of the reference month, or, in the absence of this, the acquisition cost; and

c) Notional net value on the last business day of the reference month for the investments corresponding to items 15 to 24 of Article 1, III, “a”, of this Annex.

IV – Net worth.

§ 1 – The investments measured at market value (fair value Level 1) must be informed segregated from those measured at acquisition cost.

§ 2 - The following assets should be classified in the category “shares and equity capital”:

I – shares, securities certificates or deposit receipts; and

II – other investments in variable income.

## **ANNEX 14-B**

### **Content of Bi-annual Report**

Article 1 – The bi-annual report must provide the following information:

I – Information on the passenger of omnibus account or proprietary account holder, indicating:

- a) Name and code; and
- b) Document's reference date;

II – Resources movements, indicating:

- a) The value of financial resources entering and leaving the country within the period; and
- b) The movements of financial resources within the period, segregated by:
  - 1. Financial resources transfers between investments' modalities;
  - 2. Financial resources received from other representative and financial resources transferred to other representative;

III – Financial resources invested, informing with respect to the securities or financial assets invested:

- a) Type;
- b) Class;
- c) Code;
- d) Investment starting date; and
- e) Market value (fair value Level 1) on the last business day of the reference month, or, in the absence of this, the acquisition cost; and

IV – Net Worth.