

OFFSHORE COLLATERAL TRANSFER MANUAL

DAR - GOR
2023

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1. INTRODUCTION

According to CMN Resolution No. 4,569 of 2017, nonresident investors are authorized to post collateral abroad for transactions in the Brazilian financial and capital markets. There are two types of investments:

- Defined by Resolution CMN No. 2,687: Investors who settle their trades in U.S. Dollars in B3's agricultural markets and are allowed to post U.S. Treasury bonds and U.S. Dollars as collateral for their transactions:
- Defined by CMN Resolution No. 4,373: Investors who trade options, forward contracts, lending transactions (BTB), indices, listed and OTC derivatives are allowed to post as collateral U.S. Dollars, Euros, U.S. Treasury bonds, ADRs (American Depositary Receipts) of stocks eligible to be accepted as collateral and German Treasury bonds. Additionally, only investors domiciled in the United States of America and the Netherlands are authorized to deposit euros.

The Central Bank of Brazil, through Circular Letter No. 3,838, established that the total amount of assets that can be held abroad for the purpose of complying with the collateral requirement may not exceed 8% of the added margin value required by the clearing and settlement system. Therefore, it is necessary to request a limit for posting collateral abroad to B3's Collateral team through a representative broker.

2. OFFSHORE ASSETS ACCEPTED AS COLLATERAL

The following assets are accepted as collateral:

- U.S. Dollars (Citibank only)
- Euros (J.P Morgan only)
- U.S Treasury bills, bonds or notes
- ADRs representing stocks eligible to be accepted as collateral
- German government bonds (Euroclear only)

3. COLLATERAL TRANSFER VIA DTCC

3.1 Deposit

- **B3's account at DTCC: 0822**

The deposit of securities at DTCC is done according to the following flowchart in Figure 1.

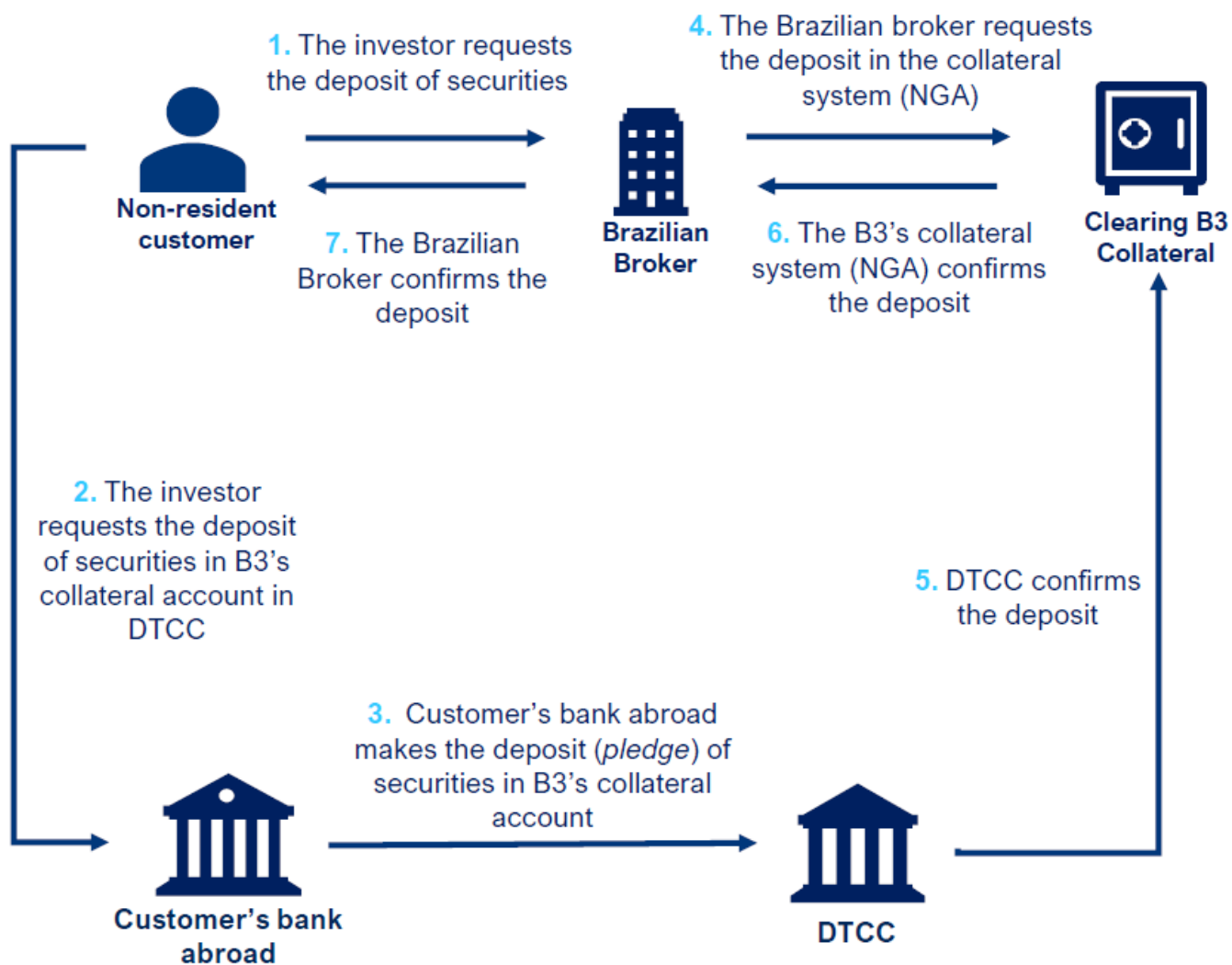


Figure 1. Flowchart of securities deposited via DTCC

Participants request deposit in the collateral management system (NGA) and complete all the fields as shown below (Figure 2):

Tipo da Garantia	Título Internacional
Finalidade de Cobertura	Garantias de Operações

Identificador da Garantia	<input type="text"/>	→ ISIN
Data da Negociação	<input type="text"/>	→ Trade date and settlement date must be informed by the custodian
Data de Liquidação	<input type="text"/>	
Quantidade	<input type="text"/>	

Depositária Destino	DTCC - 0822
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Dados Origem		
Método	DTCC	
Conta	<input type="text"/>	→ Custodian's account at DTC - Number up to 4 digits

Figure 2. NGA screen for deposit via DTCC.

- DTCC Account Number

B3's Account at DTCC = 0822

Format:

DTC ABA #: 026002066

DTC Name: SDFS DTC

Receiving Account: CUST

Receiving bank information: FDO / DTCC participant number (Note: The participants must send the deposit, not B3)

Cash amount: 0.00

Total amount: Number of securities to be transferred

3.2 Withdrawal

The withdrawal of securities at DTCC is done according to the following flowchart in Figure 3.

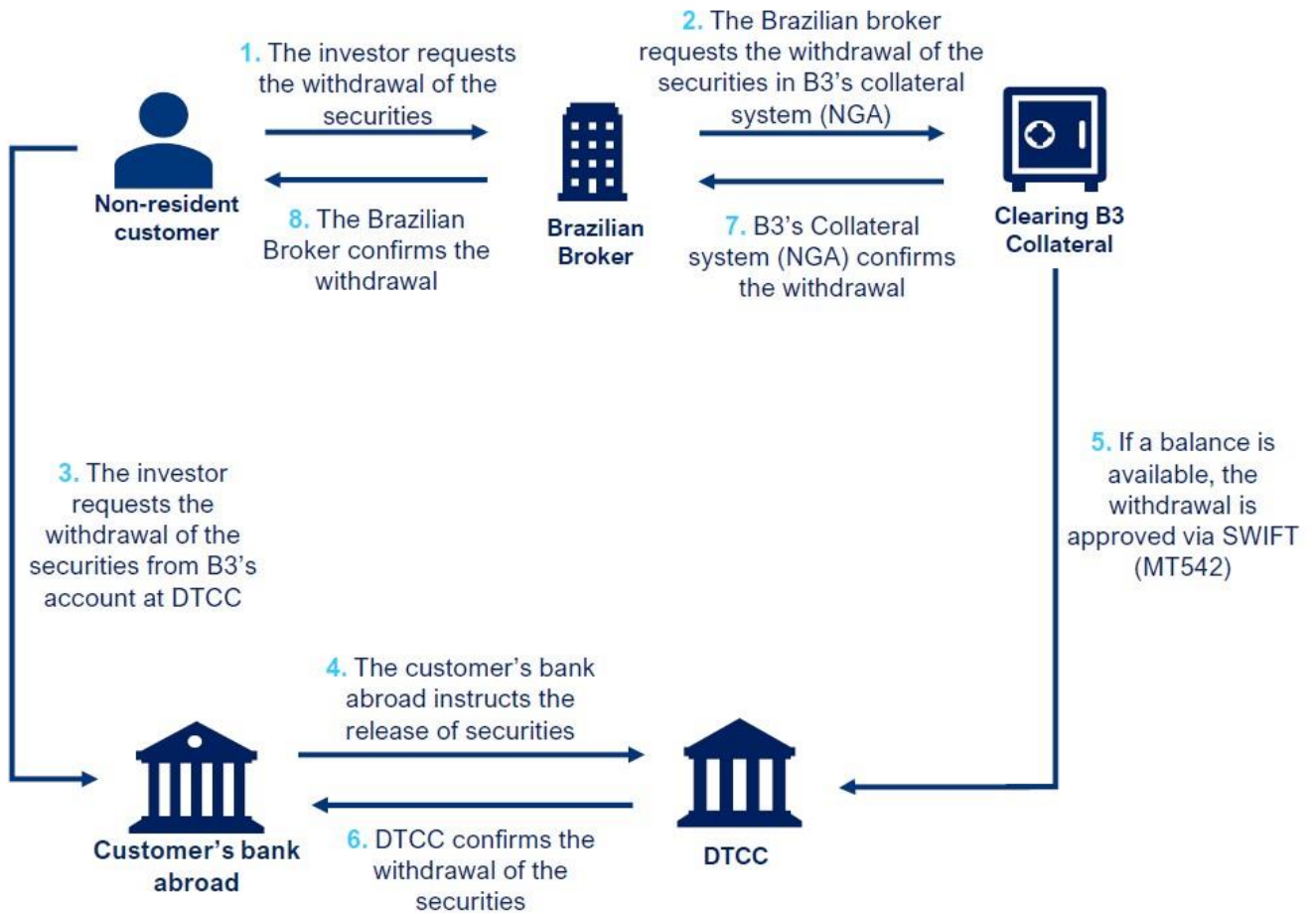


Figure 3. Flowchart of securities withdrawal via DTCC.

4. COLLATERAL TRANSFER VIA EUROCLEAR

4.1 Deposit

- B3's Account at EUROCLEAR for US resident investors: 25393
- B3's Account at EUROCLEAR for non US resident investors: 17957

The deposit of securities at Euroclear is done according to the following flowchart in Figure 4.

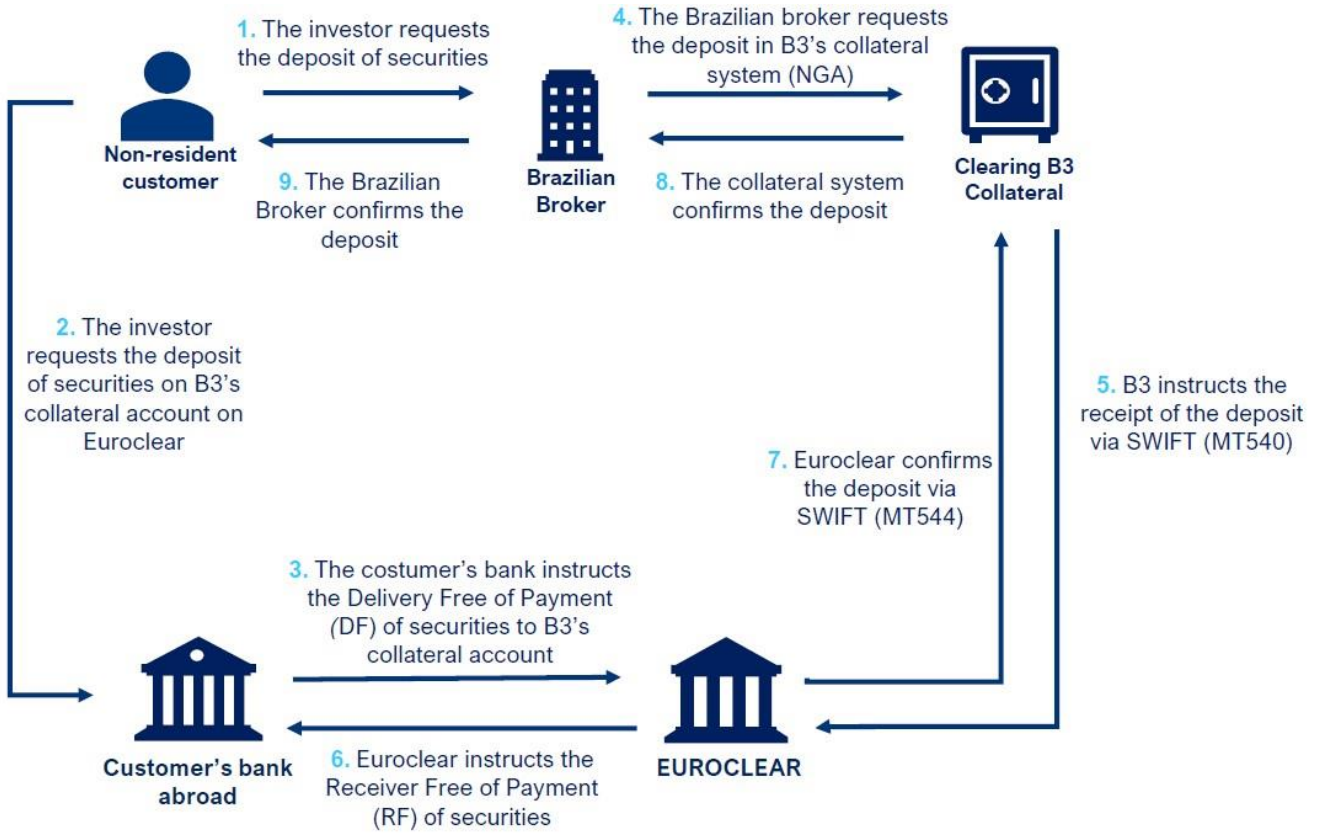


Figure 4. Flowchart of securities deposited via Euroclear.

4.1.1 Between Euroclear Accounts

Participants request deposit in the collateral management system (NGA) and complete all the fields as shown below (Figure 5):

Tipo da Garantia	Título Internacional
Finalidade de Cobertura	Garantias de Operações
Identificador da Garantia	<input type="text"/>
Data da Negociação	<input type="text"/>
Data de Liquidação	<input type="text"/>
Quantidade	<input type="text"/>
Depositária Destino	EUROCLEAR - 238990
Dados Origem	
Método	EUROCLEAR
Conta	<input type="text"/>

ISIN

Trade date and settlement date must be informed by the custodian

Custodian account at Euroclear - number of 5 digits

Figure 5. NGA screen for deposit via Euroclear.

4.1.2 EUROCLEAR via FED

Participants request the deposit in the collateral management system (NGA) and complete all the fields as shown below (Figure 6):

Tipo da Garantia	Título Internacional
Finalidade de Cobertura	Garantias de Operações

Identificador da Garantia	<input type="text"/>	→ ISIN
Data da Negociação	<input type="text"/>	→ Trade date and settlement date must be informed by the custodian
Data de Liquidação	<input type="text"/>	
Quantidade	<input type="text"/>	

Depositária Destino	EUROCLEAR 98606
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Dados Origem		
Método	via FED	
ABA Code	<input type="text"/>	→ Custodian's ABA number – Number of 9 digits
Nome da Conta	<input type="text"/>	→ Investor account under Custodian
SubConta (Opcional)	<input type="text"/>	→ Investor Sub Account Name
Conta DTCC	<input type="text"/>	→ Custodian's account number at DTCC

Figure 6. NGA screen for Euroclear deposits via FED

- Fedwire Format (free of payment) for US Resident Investors:

Fed Account: 021000021 / EURCLR

SPC INS: G23019

EURO25393

DTCYID: 1970

- Fedwire Format (free of payment) for Non US Resident Investors:

Fed Account: 021000021 / EURCLR

SPC INS: G23019

EURO17957

DTCYID: 1970

4.1.3 Euroclear via DTCC

Participants request the deposit in the collateral management system (NGA) and complete all the fields as shown below (Figure 7):

Tipo da Garantia	Título Internacional
Finalidade de Cobertura	Garantias de Operações

Identificador da Garantia	<input type="text"/>	→ ISIN
Data da Negociação	<input type="text"/>	→ Trade date and settlement date must be informed by the custodian
Data de Liquidação	<input type="text"/>	
Quantidade	<input type="text"/>	

Depositária Destino	EUROCLEAR - 238990
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Dados Origem		
Método	via DTCC	
Conta	<input type="text"/>	→ Custodian's account at DTC - Number up to 4 digits
SubConta (Opcional)	<input type="text"/>	→ Investor account under Custodian

Figure 7. NGA screen for Euroclear deposit via DTCC.

- DTC Format (free of payment) for US Resident Investor

DTC Account: 1970

SPC INS: G21691 EURO25393

Agent Bank: 00025787

Institution Number: 00026097

- DTC Format (free of payment) for Non US Resident Investors:

DTC Account: 1970

SPC INS: G21691 EURO17957

Agent Bank: 00025787

Institution Number: 00026097

4.2 Withdrawal

The withdrawal of securities at DTCC is done according to the following flowchart in Figure 8.

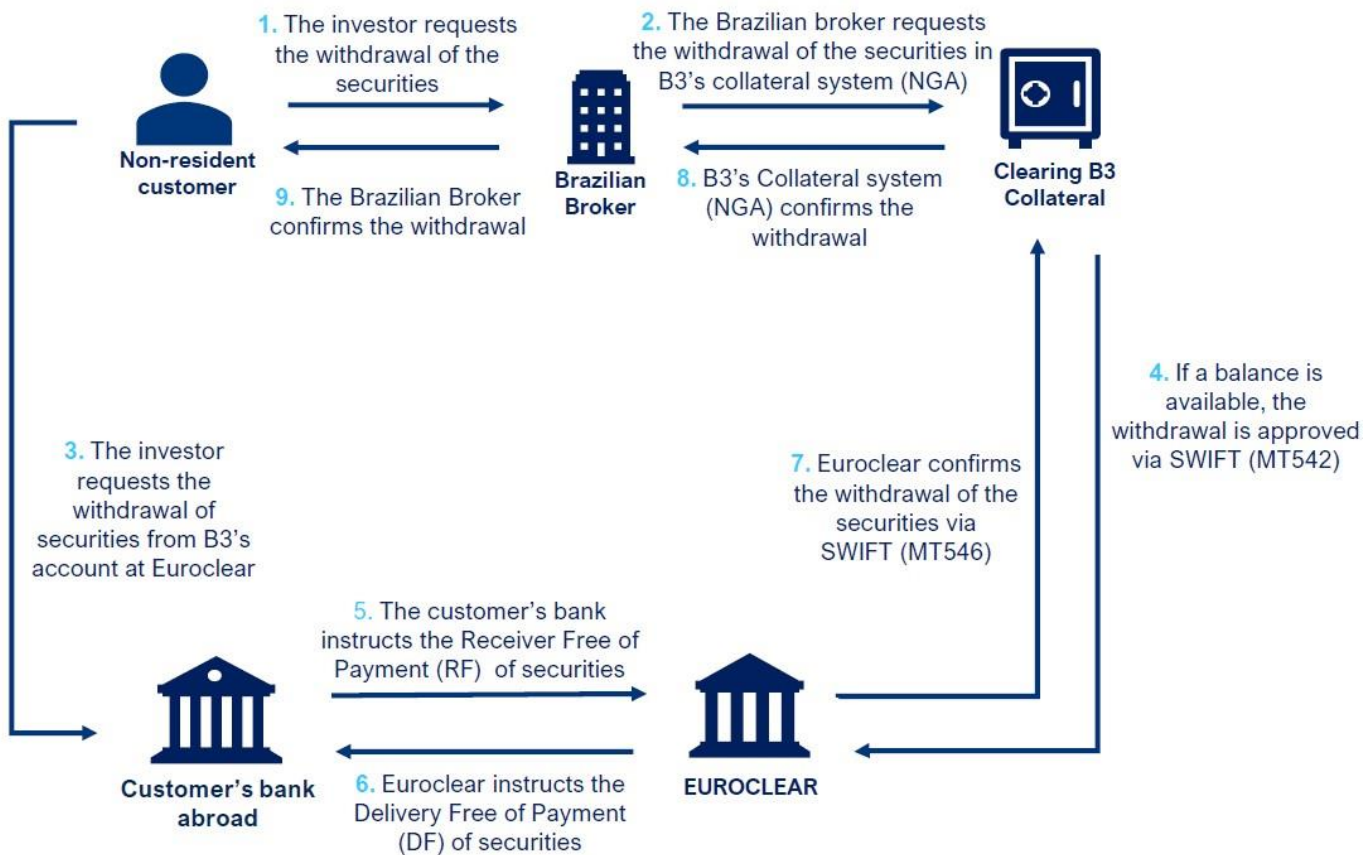


Figure 8. Flowchart of securities withdrawal via Euroclear

4.2.1 Between Euroclear Accounts

Participants request the deposit in the collateral management system (NGA) and complete all the fields as shown below (Figure 9):

Requisição de Aceite de Retirada

MC	88711	TESTE CERTIFICAÇÃO RTC
PNP	88711	TESTE CERTIFICAÇÃO RTC
CL	989309	CONTA NORMAL 2687 SLF
Documento	880.000.002/0156-68	
Tipo de Pessoa	Pessoa Jurídica Não Residente Outros	
Atividade	60.00 - DEMAIS FUNDOS OU ENTIDADES DE INVESTIMENTO COLETIVO	
Categoria	CLIENTE	

Tipo da Garantia	9 - Título Internacional	
Finalidade de Cobertura	1 - Garantias de Operações	

Número do Ativo	2019000041685	
Identificador da Garantia	US912810EW46	
Cusip	912810EW4	
Sub Tipo	US TREASURY BONDS	
Data da Negociação	<input type="text" value="18/06/2019"/>	Trade date and settlement date must be informed by the custodian
Data de Liquidação	<input type="text" value="18/06/2019"/>	

Depositária Origem	EUROCLEAR 98606	
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Dados Destino		
Método	<input type="text" value="EUROCLEAR"/>	Custodian account at Euroclear – number of 5 digits
Conta	<input type="text"/>	

Quantidade Depositada	1.000
Quantidade Distribuída	0
Quantidade Disponível	1.000

Quantidade a Retirar	<input type="text" value="100"/>
-----------------------------	----------------------------------

Figure 9. NGA screen for withdrawal via Euroclear.

4.2.2 Euroclear via FED

Participants request the deposit in the collateral management system (NGA) and complete all the fields as shown below (Figure 10):

Requisição de Aceite de Retirada

MC	88711	TESTE CERTIFICAÇÃO RTC
PNP	88711	TESTE CERTIFICAÇÃO RTC
CL	989309	CONTA NORMAL 2687 SLF
Documento	880.000.002/0156-68	
Tipo de Pessoa	Pessoa Jurídica Não Residente Outros	
Atividade	60.00 - DEMAIS FUNDOS OU ENTIDADES DE INVESTIMENTO COLETIVO	
Categoria	CLIENTE	

Tipo da Garantia	9 - Título Internacional	
Finalidade de Cobertura	1 - Garantias de Operações	

Número do Ativo	2019000041685	
Identificador da Garantia	US912810EW46	
Cusip	912810EW4	
Sub Tipo	US TREASURY BONDS	
Data da Negociação	18/06/2019	Trade date and settlement date must be informed by the custodian
Data de Liquidação	18/06/2019	

Depositária Origem	EUROCLEAR 98606	
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Dados Destino		
Método	via FED	
ABA Code	021000018	Custodian's ABA number – Number of 9 digits
Nome da Conta	HSBCLDN	Investor account under Custodian
SubConta (Opcional)		Investor Sub Account Name
Conta DTCC	24943	Custodian's account number at DTCC

Quantidade Depositada	1.000
Quantidade Distribuída	0
Quantidade Disponível	1.000

Quantidade a Retirar	100
----------------------	-----

Figure 10. NGA screen for Euroclear withdrawal via FED.

4.2.3 Euroclear via DTCC

Participants request the deposit in the collateral management system (NGA) and complete all the fields as shown below (Figure 11):

Requisição de Aceite de Retirada

MC	88711	TESTE CERTIFICAÇÃO RTC
PNP	88711	TESTE CERTIFICAÇÃO RTC
CL	989309	CONTA NORMAL 2687 SLF
Documento	880.000.002/0156-68	
Tipo de Pessoa	Pessoa Jurídica Não Residente Outros	
Atividade	60.00 - DEMAIS FUNDOS OU ENTIDADES DE INVESTIMENTO COLETIVO	
Categoria	CLIENTE	

Tipo da Garantia	9 - Título Internacional	
Finalidade de Cobertura	1 - Garantias de Operações	

Número do Ativo	2019000041685	
Identificador da Garantia	US912810EW46	
Cusip	912810EW4	
Sub Tipo	US TREASURY BONDS	
Data da Negociação	<input type="text" value="18/06/2019"/>	Trade date and settlement date must be informed by the custodian
Data de Liquidação	<input type="text" value="18/06/2019"/>	

Depositária Origem	EUROCLEAR 98606	
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Dados Destino		
Método	<input type="text" value="via DTCC"/>	
Conta	<input type="text"/>	Custodian's account at DTC- Number up to 4 digits
SubConta (Opcional)	<input type="text"/>	Investor account under Custodian

Quantidade Depositada	1.000
Quantidade Distribuída	0
Quantidade Disponível	1.000

Quantidade a Retirar	<input type="text" value="100"/>
----------------------	----------------------------------

Figure 11. NGA screen for Euroclear withdrawal via DTCC.

5. US DOLLARS POSTED AS COLLATERAL

5.1 Deposit

- B3's account at Citibank: 40804863

US Dollars can be transferred to the collateral account through the settlement account or through the Customer's proprietary account. For this, processes are different as show the flowcharts in figures 12 and 13.

5.1.1 Through B3's Settlement Account

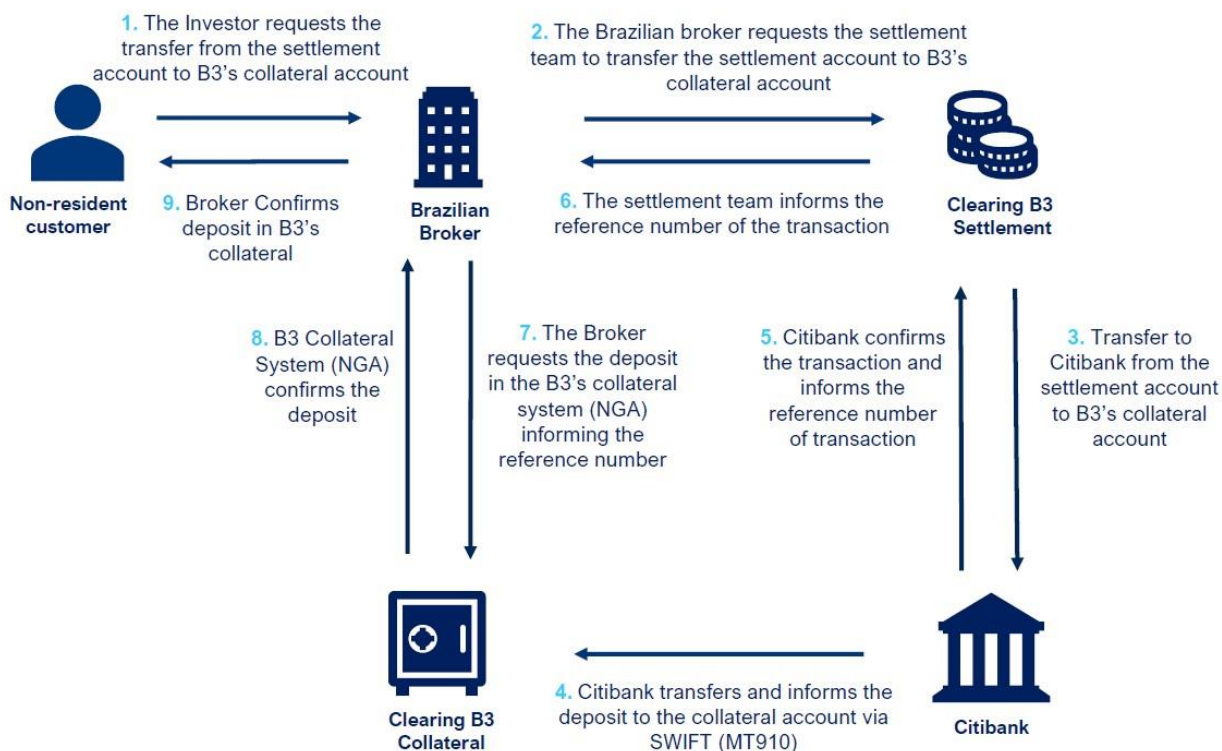


Figure 12. US Dollars deposit flowchart through B3's settlement account.

5.1.2 Directly from the Customer's Account

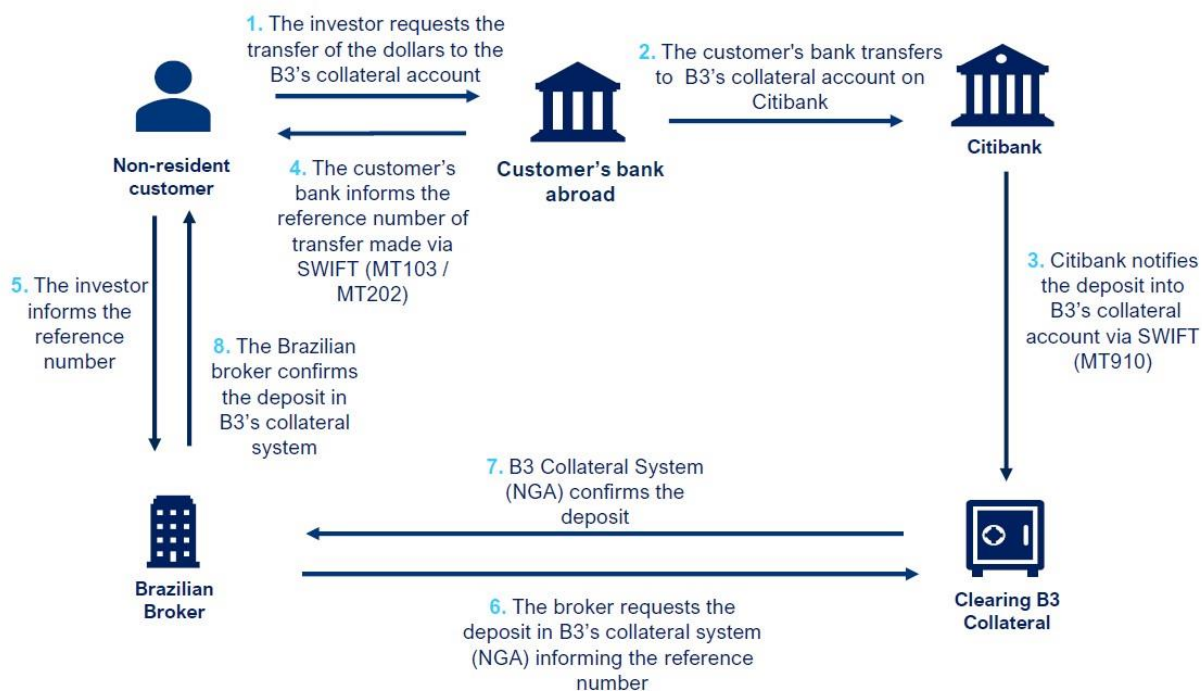


Figure 13. US Dollars deposit flowchart directly through the Customer's account.

Participants request the deposit in the collateral management system (NGA) and complete all the fields as shown below (Figure 14):

Requisição de Aceite de Depósito

MC	88711	TESTE CERTIFICAÇÃO RTC
PNP	88711	TESTE CERTIFICAÇÃO RTC
CL	55551	RAZAO SOCIAL 186342
Documento	02445.079367.079367.0.4	
Tipo de Pessoa	Pessoa Jurídica Não Residente Com CVM	
Atividade	57.00 - ENTIDADES DE PREVIDÊNCIA	
Categoria	CLIENTE	
Tipo da Garantia	Moeda Estrangeira	
Finalidade de Cobertura	Garantias de Operações	
Identificador da Garantia	Dólar	
Código de Referência	<input type="text"/>	→ Número de Ref. SWIFT**
Valor	<input type="text"/>	

Figure 14. NGA screen for deposit of U.S. Dollars

** The SWIFT number must be informed by the Customer in field 20 - Sender Reference MT103 or in field 21 - Related Reference MT202. When the U.S. Dollars originate from B3's settlement account, the SWIFT number is informed by B3's Settlement team through the LNR.

- Citibank Account Number

B3's account at Citibank: 40804863

BIC CODE/Swift: CITIUS33

5.2 Collateral Withdrawal

Like the deposit, the withdrawal of U.S. Dollars can occur in two ways: withdrawal to B3's settlement account and withdrawal directly to the Customer's account as show the flowcharts in figures 15 and 16.

5.2.1 To B3'S Settlement Account

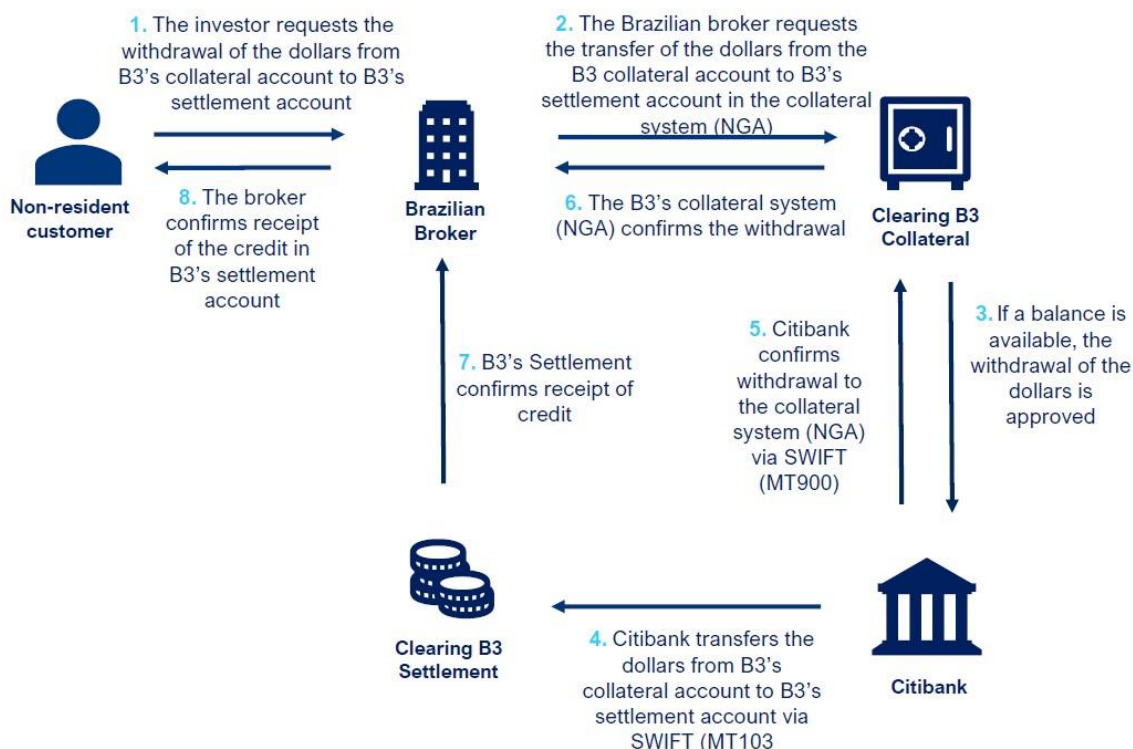


Figure 15. Flowchart of U.S. Dollars withdrawal to B3's settlement account.

5.2.2 To Customer's Proprietary Account

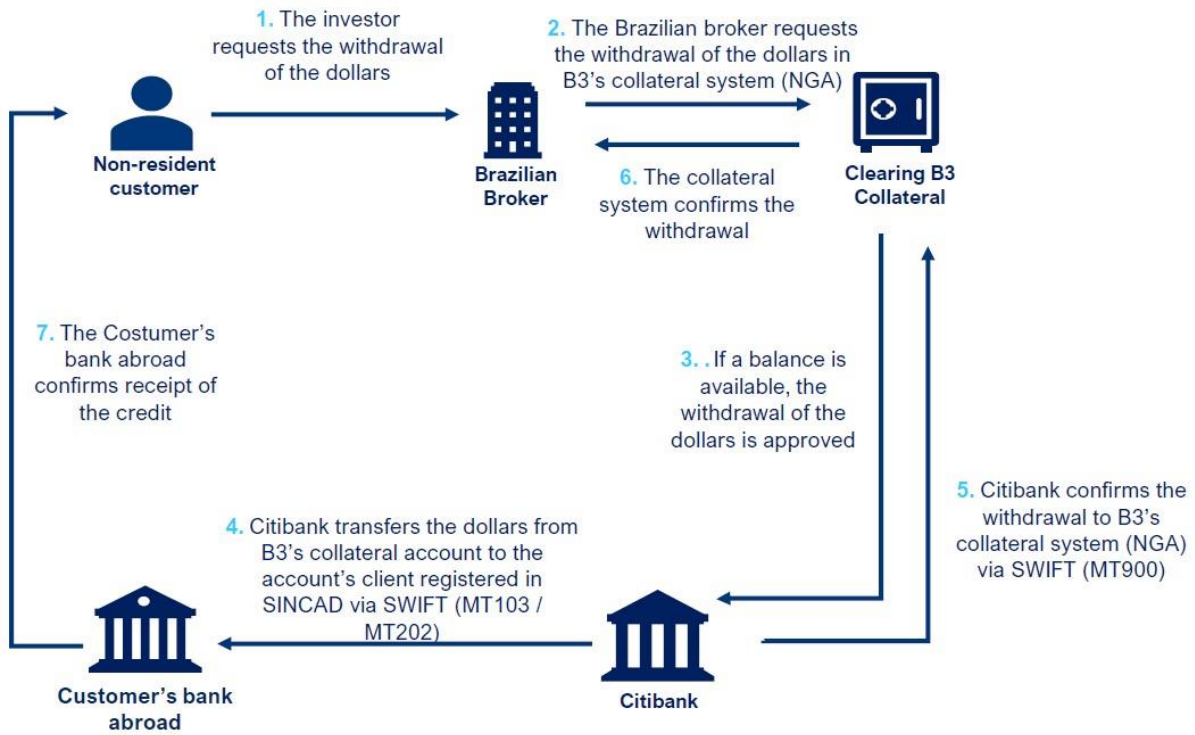


Figure 16. Flowchart of U.S. Dollars withdrawal to the Customer's account.

6. EUROS POSTED AS COLLATERAL

6.1 Deposit

- B3's account at J.P Morgan: 0080033190

Euros can be transferred to the collateral account through the Customer's proprietary account as shown on figure 17.

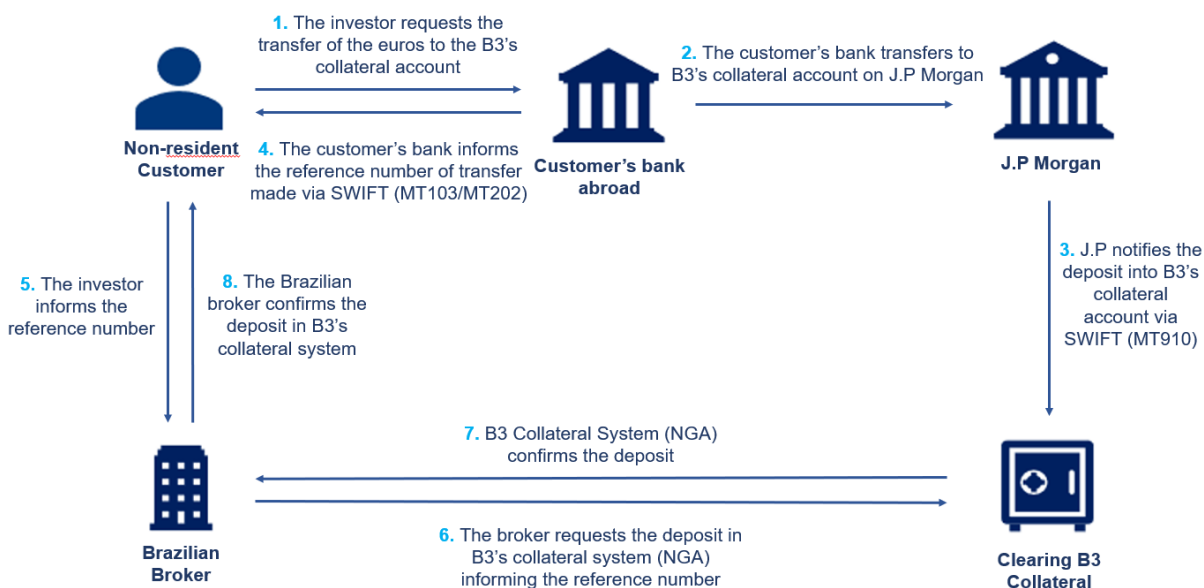


Figure 17. Euro deposit flowchart directly through the Customer's account.

Participants request the deposit in the collateral management system (NGA) and complete all the fields as shown below (Figure 18):

Requisição de Aceite de Depósito

MC	88711	TESTE CERTIFICAÇÃO RTC
PNP	88711	TESTE CERTIFICAÇÃO RTC
CL	55551	RAZAO SOCIAL 186342
Documento	02445.079367.079367.0.4	
Tipo de Pessoa	Pessoa Jurídica Não Residente Com CVM	
Atividade	57.00 - ENTIDADES DE PREVIDÊNCIA	
Categoria	CLIENTE	

Tipo da Garantia	Moeda Estrangeira
Finalidade de Cobertura	Garantias de Operações

Identificador da Garantia	<input type="text" value="Euro"/>
Código de Referência	<input type="text"/> → Número de Ref. SWIFT**
Valor	<input type="text"/>

Figure 18. NGA screen for deposit of Euros

** The SWIFT number must be informed by the Customer in field 20 - Sender Reference MT103 or in field 21 - Related Reference MT202. When the Euros originate from B3's settlement account, the SWIFT number is informed by B3's Settlement team through the LNR.

- J.P Morgan Account Number

B3's account at Citibank: 0080033190

BIC CODE/Swift: CHASGB2L

6.2 Collateral Withdrawal

Like the deposit, the withdrawal of Euros occurs directly to the Customer's account. The flow is demonstrated in figure 19.

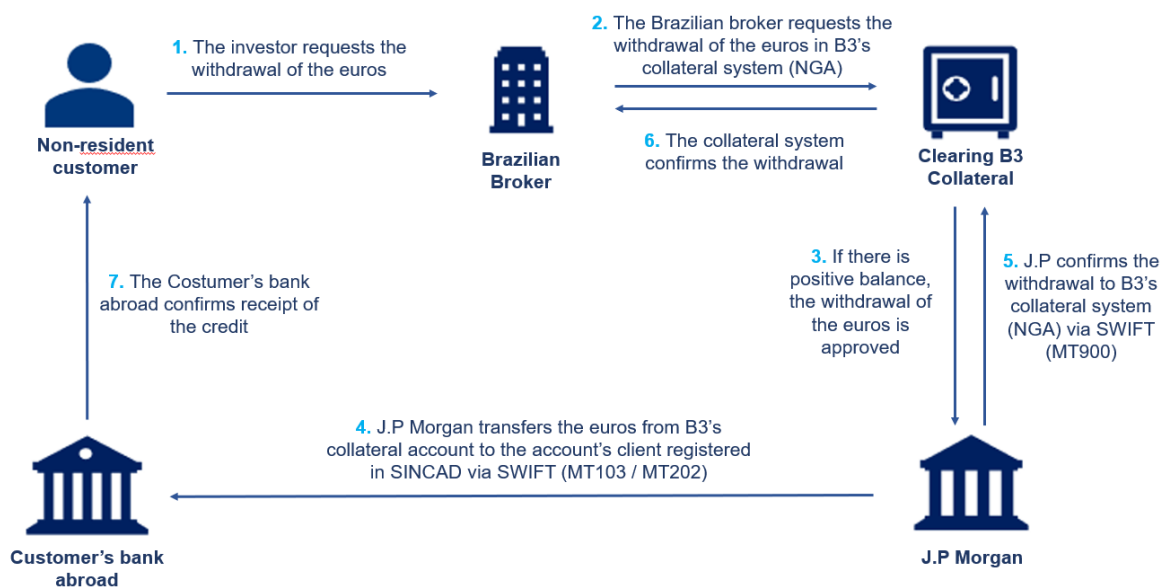


Figure 19. Flowchart of Euros withdrawal to the Customer's account.

7. EVENTS

7.1 Coupon Payment

B3 will request that securities deposited as collateral be either withdrawn or replaced ten business days before the coupon payment or their maturity date counting from the record date.

7.2 Maturity

B3 does not authorize collateral deposit for coupon payment or with maturity in the following ten business days from the record date.

8. PRICING

A list of securities accepted as collateral is available on the B3 portal (http://www.b3.com.br/en_us/products-and-services/clearing-and-settlement/clearing/risk-management/collateral/accepted-collateral/). If the ISIN number of an international security chosen for collateral posting is not on the list, please contact B3's Collateral team so that they can proceed with its registration. The registration request must be made in advance as the valuation date is T + 1.

9. COSTS

The costs of B3 charged monthly by DTCC and Euroclear for the custody of assets are shared proportionally by the B3 participants which requested such service and who may transfer those costs to the investor.

10. DOS AND DON'TS

10.1 DOS

- Withdraw the security before its maturity date and before paying the coupon.
- Before making a deposit at the depository (DTCC/Euroclear) check with B3 through your representative broker if that security is accepted as collateral.
- Always inform the SWIFT number to the representative broker in Brazil when making a deposit in U.S. Dollars or Euros.

10.2 DON'TS

- Deposit securities in T-10 before their maturity date / coupon payment.
- Instruct Delivery Free of Payment (DF) before making sure that the security's ISIN code is eligible as collateral at B3.

CONTACT:

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Telephone: +55 11 2565-5030

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