

NEWSLETTER No. 124

JANUARY 2025



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SUMMARY

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**BACEN AND CVM SIMPLIFY RULES FOR FOREIGN INVESTMENTS
IN BRAZIL**

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BACEN AND CVM SIMPLIFY RULES FOR FOREIGN INVESTMENTS IN BRAZIL

On December 5th, 2024, Joint Resolution No. 13/2024 was published, issued by the Central Bank of Brazil (Bacen) in conjunction with the Brazilian Securities and Exchange Commission (CVM), which establishes provisions regarding investments by individuals and legal entities not residing in the Brazilian financial and securities markets.

Joint Resolution No. 13/2024 revokes Resolution No. 4,373/2014 of the National Monetary Council (CMN), expanding investment possibilities through the Non-Resident Account and regulating the exemption from the obligation of registration with the CVM and the requirement to appoint a representative for individuals residing abroad.

The main provisions of Joint Resolution No. 13/2024 include the following:

- (i) facilitation for non-resident accounts (CNR): it is now allowed for non-resident investors to make financial and securities investments through non-resident accounts in Brazilian reais and prepaid payment accounts;
- (ii) greater clarity in the investor's residency status change process: when changing their residency status (from resident to non-resident and vice versa), investors may maintain the conditions originally agreed upon in the investments made;
- (iii) expansion of Depositary Receipts (DRs) assets: the list of financial assets and securities that can serve as collateral for the issuance of DRs abroad has been expanded. Among such collaterals are securities from publicly traded companies, securitization companies, and Brazilian investment funds;
- (iv) end of the electronic declaratory registration (RDE-Portfolio): the requirement to complete the RDE-Portfolio has been eliminated, simplifying the administrative procedures necessary for non-residents to make portfolio investments;
- (v) flexibility in agricultural derivatives: the receipt of funds abroad related to adjustments and financial settlement of agricultural derivatives contracts executed in Brazil is now permitted;
- (vi) new permitted representatives: the role of representative in Brazil for non-resident investors may now be performed by clearinghouses and settlement service providers;
- (vii) requested documents: the representative, custodian, intermediary, and the institution performing the financial transaction must define, based on their assessment and criteria formally established in their internal policies, the information and supporting documents to be requested from the parties involved in the transaction, considering the client's assessment and the characteristics of the operation;

Joint Resolution No. 13/2024 came into effect on January 1st, 2025.

For more information, as well as the full text of Joint Resolution No. 13/2024, please visit the Central Bank's website (www.bcb.gov.br) or the CVM's website (www.gov.br/cvm).

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