

_Brazilian Securities and Exchange Commission's (CVM) decision regarding the calculation of shares held by relatives of the controlling shareholder in a tender offer due to the increase of shareholding interest

According to CVM Instruction 361, a tender offer (OPA) due to the increase of shareholding interest is mandatory in case the controlling shareholder, any person "bonded" to him (i.e., represents the same interest as the controlling shareholder) and any other person who acts along with the controlling shareholder or person related to him acquires, by any procedure other than a tender offer, shares representing more than 1/3 of the total number of outstanding shares of each type and class.

In a recent decision, the CVM confirmed its understanding regarding the relative presumption that relatives in the ascending and descending line, as well as siblings of the controlling shareholder shall be considered bonded to him for the calculation of the limit of 1/3 of the outstanding shares pursuant to CVM Instruction 361.

IT IS WORTH NOTING THAT, AS A RELATIVE PRESUMPTION, CONTRARY EVIDENCES ARE ADMITED IN ORDER TO DISREGARD THIS PRESUMPTION AND EXCLUDE THE SHARES HELD BY RELATIVES OF THE CONTROLLING SHAREHOLDER FROM THE CALCULATION OF THE 1/3 LIMIT.

Therefore, unless there is evidence that the controlling shareholder does not have such a bond (i.e., share the same interest) with his relatives, the shares held by them shall be considered for the 1/3 limit of outstanding shares pursuant to CVM Instruction 361.

_new rule regarding repatriation of resources

On January 14, 2016, Law 13,254/2016 came into force with regard to the Special Regime of Monetary and Tax Settlement (RERCT) of resources, goods or rights from an illicit origin, undeclared or incorrectly declared, submitted, kept abroad or repatriated by persons residing or domiciled in Brazil.

Law 13,254/2016 grants to the owner of such resources, goods or rights, who are (or have been) residents or domiciled in Brazil on December 31, 2014 (Base Date) the possibility of legalizing them. For this purpose, the taxpayer shall present to the Secretary of the Brazilian Federal Revenue Services (RFB) and to the Brazilian Central Bank a declaration with a detailed description of the resources, goods and rights held by them on the Base Date with their respective market values in Reais, as applicable.

ASSETS OF ANY KIND (SUCH AS BRANDS, COPYRIGHT, SOFTWARES, KNOW-HOW AND PATENTS), REAL ESTATES, VEHICLES, AIRCRAFTS, VESSELS, AMONG OTHER ASSETS AVAILABLE ABROAD, A SPECIALISED FIRM SHALL ACCESS THEIR MARKET VALUE.

Additionally, the taxpayer shall be subject to the full payment of the income tax at rate of 15% over the total value of the assets subject to legalization plus a fine equivalent to 100% of the income tax due. Therefore, it will be required to pay the amount of 30% of the value of the assets that will be legalized to be able to join this amnesty program. Anyhow, the values due shall be converted into Reais, based on the exchange rate on the Base Date.

ADHESION TO THE RERCT PRIOR TO A CRIMINAL COURT DECISION SHALL RESULT IN THE AMNESTY REGARDING CRIMES RELATED TO THE MAINTENANCE OF UNDECLARED ASSETS ABROAD, SUCH AS CRIMES AGAINST TAX ORDER, TAX EVASION, MONEY LAUNDRY OR CONCEALMENT OF ASSETS.

The adherence to the program may be done up to 210 days counted from the date RFB's act that will regulate the matters referred to in this Law is edited and becomes effective.

_Brazilian Securities and Exchange Commission extends the deadlines to disclose information by non-resident investors

The Brazilian Securities and Exchange Commission (CVM) disclosed in December Instruction 574, which extends the deadlines to disclose information regarding non-resident investors foreseen in CVM Instruction 560, as follows:

The deadline to update the non-resident investor's records, as described in Schedule I of CVM Instruction 560, has been postponed to March 31, 2016;

The delivery of the monthly reports and the bi-annual report shall begin in July 1st, 2016. The content of these reports is outlined in Article 14 of CVM Instruction 560 and in Schedules 14-A and 14-B of CVM Instruction 560.