

**\_ Brazilian Central Bank extends the deadline for the delivery of the amendment to the reports on Brazilian Funds Located Abroad (“Capitais Brasileiros no Exterior”)**

The Brazilian Central Bank has approved Circular Nr. 3.812, which amended matters within their powers regarding the Special Regime of Monetary and Tax Settlement (RERCT), also known as repatriation, extending the deadline for sending the amendment to the reports on Brazilian Funds Located Abroad (CBE) to December 31, 2016. The deadline for adherence to the repatriation program remained the same, i.e. until October 31, 2016.

According to the Brazilian Central Bank, the amendment unifies the deadline for amending the CBE with the Brazilian Federal Revenue Services Normative Instruction Nr. 1.665, regarding the deadline for the delivery of available information held by financial institutions located abroad and to present the Statement of Annual Adjustment (“Declaração de Ajuste Anual”) regarding the 2014 fiscal year, within the scope of the Special Regime of Monetary and Tax Settlement, which was also extended to December 31, 2016.

**\_ CVM’s deliberation can expedite the analysis of tender offers**

On November 04, 2016, the Brazilian Securities and Exchange Commission (CVM) issued Deliberation 756, through which CVM Collegiate delegated powers to CVM Superintendence of Securities Registration (“Superintendência de Registro de Valores Mobiliários”) to decide on requests for adoption of special tender offer procedures and for launching of a sole tender offer, pursuant to CVM Instruction 361/2002.

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**THE PURPOSE OF CVM DELIBERATION 756 IS TO EXPEDITE THE ANALYSIS OF TENDER OFFERS, WITH REQUESTS THAT ARE SIMILAR TO PREVIOUS REQUESTS ALREADY EXAMINED BY CVM COLLEGIATE.**

*THE BRAZILIAN CENTRAL BANK CIRCULAR NR. 3.812 CAN BE ACCESSED AT:*

*[https://www.bcb.gov.br/pre/normativos/busca/downloadNormativo.asp?arquivo=/Lists/Normativos/Attachments/50279/Circ\\_3812\\_v1\\_O.pdf](https://www.bcb.gov.br/pre/normativos/busca/downloadNormativo.asp?arquivo=/Lists/Normativos/Attachments/50279/Circ_3812_v1_O.pdf)*

*THE FEDERAL REVENUE SERVICES NORMATIVE INSTRUCTION NR. 1.665 CAN BE ACCESSED AT:*

*<http://normas.receita.fazenda.gov.br/sijut2consulta/link.action?visao=anotado&idAto=78232>*

*CVM DELIBERATION 756 CAN BE ACCESSED AT:*

*<http://www.cvm.gov.br/export/sites/cvm/legislacao/deli/anexos/0700/deli756.pdf>*

## BM&FBovespa announces a second public hearing for the amendment to the rules of Level 2 and New Market special trading segments

Due to the comments received by BM&FBovespa in the first public hearing on its proposal for the amendment to the rules of Level 2 and New Market special trading segments, BM&FBovespa has announced a new proposal for this amendment, which will have a new public hearing period.

Until January 06, 2017, BM&FBovespa will receive, in the New Market e-mail address (novomercado@bvmf.com.br), comments on the new proposal for the development of Level 2 and New Market special trading segments. The closed hearing (i.e. hearing limited to the companies listed in the New Market and Level 2 special trading segments) is expected to begin on March 01, 2017.

Among the main amendments to the New Market's rules in comparison to the first proposal presented by BM&FBovespa, we highlight the following matters:

**free float:** the new proposal maintained the requirement of a minimum free float of 25% of the share capital, amending the minimum percentage of 20% to 15%, in case the financial average daily volume of share trading remains equal or higher than R\$25 million.

**board of directors' advisory committees:**

the obligation to have a statutory audit committee in office was maintained, but the obligation to have an indication and remuneration committees in office was excluded.

**board of directors:**

the rule regarding the rounding of the calculation of the number of independent members, which was suppressed in the initial proposal, returned to the new proposal, in a way that, **when the calculation of the percentage results in a fractional number, this number shall be rounded to the immediately higher whole number.** Furthermore, the evaluation of the board of directors remains mandatory; however, the periodicity of this evaluation, which initially was annually, now must be made **at least once during the respective term of office of the board.**

**transfer of control – premium fee to minority shareholders:** the obligation of the purchaser to provide the minority shareholders the option to remain as shareholder of the company with the payment of a premium fee was suppressed.

**tender offer due to acquisition of relevant corporate interest:** the percentage of 30% in the initial proposal was revised to the **acquisition or achievement of corporate interest between 20% and 30%** of the share capital, at the company's sole discretion.

**exit from the New Market special trading segment:** in the initial proposal the exit from the New Market special trading segment was conditioned upon the approval of shareholders holding more than 50% of the free float. **In the new proposal, this quorum was reduced to 40% of the free float.**

THE NEW PROPOSALS AND BM&FBovespa PRESENTATION AT THE PRESS CONFERENCE HELD WITH THIS REGARD ARE AVAILABLE AT:

[http://www.bmfbovespa.com.br/pt\\_br/listagem/acoes/segmentos-de-listagem/sobre-segmentos-de-listagem/evolucao-dos-segmentos-especiais/](http://www.bmfbovespa.com.br/pt_br/listagem/acoes/segmentos-de-listagem/sobre-segmentos-de-listagem/evolucao-dos-segmentos-especiais/)

\_ first criminal conviction for market manipulation practices in Brazil

On November 07, 2016, the 7th Federal Court of the State of Porto Alegre delivered a decision, still subject to appeal, convicting an independent investment agent and the controlling shareholder of Mundial S.A. at the time the illegal acts took place (2010 and 2011), who was also the company's Chief Executive Officer and Investor Relations Officer, for the crimes of market manipulation and insider trading.

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IN 2012, THE FEDERAL PUBLIC PROSECUTION ("MINISTÉRIO PÚBLICO FEDERAL") OF THE STATE OF RIO GRANDE DO SUL ACCUSED TEN PERSONS OF CRIMINAL CONSPIRACY AND MARKET MANIPULATION AND TWO OF THEM WERE ALSO ACCUSED OF INSIDER TRADING, INVOLVING THE TRADE OF SHARES ISSUED BY MUNDIAL S.A. CVM ACTED AS ACCUSATION ASSISTANT IN THIS CRIMINAL CLAIM.

The decision granted confirmed the prison sentence against each of the defendants (replaced by restrictive right measures, which are (i) community service activities; and (ii) pecuniary contribution in the amount of 50 minimum wages in favor of social institutions, for each of them), as well as the following fines:

\_ By the independent investment agent: fine in the amount of R\$ 2.328.382,00, monetarily adjusted as from July 26, 2011, plus 31 daily fines, each of them equivalent to 15 minimum wages in force on December 2010, monetarily adjusted until the date of payment; and

\_ By the controlling shareholder: 85 daily fines, each of them equivalent to 15 minimum wages in force on July 2011, and 31 daily fines, each of them equivalent to 15 minimum wages in force on December 2010, all monetarily adjusted until the date of payment.

THE DECISION AFOREMENTIONED CAN BE ACCESSED AT:

<http://www.cvm.gov.br/export/sites/cvm/noticias/anexos/2016/20161111-sentenca-mundial.pdf>