

_ Expiration of the deadline to inform the final beneficial owners of legal entities to the Brazilian Federal Revenue Services

According to the Normative Ruling No. 1.634/2016, issued by the Brazilian Federal Revenue Services ("RFB"), the deadline to provide RFB with documents and information on the corporate structure of national and foreign legal entities enrolled before the Brazilian Taxpayer's Registry ("CNPJ") expires on December 31st, 2018.

We highlight that in case of non-compliance with the obligation to disclose information on the final beneficial owners and/or submit documents related to them, the company shall have its enrollment with the CNPJ suspended, and it will be prevented from carrying on transactions with local banking institutions, including with regard to withdrawals and deposits in their bank accounts, execution of financial investments and loan transactions.

ADDITIONAL INFORMATION ON THE NORMATIVE RULING NO. 1.634/2016 MAY BE CAN BE ACCESSED AT:

http://www.cdoadv.com.br/wp-content/uploads/2017/12/news_full_dez_ing.pdf

<http://normas.receita.fazenda.gov.br/sijut2consulta/link.action?idAto=73658&visao=compilado>

_ Brazilian Securities and Exchange Commission's Board decides on the responsibility of managers and administrators of investments funds

On July 24th, 2018, the Brazilian Securities and Exchange Commission's Board ("CVM") ruled on the Administrative Proceeding No. RJ2015/12087 ("Proceeding"), originated from an accusation filed by the Superintendence of Relations with Institutional Investors ("SIN") to investigate the responsibility of the manager (*gestor*) and administrator (*administrador*) of an investment fund for the breach of their fiduciary duties in the purchase of debentures without prior analysis of the risks, guarantees and conflicts of interest involved in the transaction.

Within the Proceeding, CVM identified **"the inconsistency of the debentures with normal market conditions, the uncommon character of the clause that allocated the resources obtained in the public offer to the hiring of consultants related to the issuer, the lack of technical analysis regarding the solvency of the issuer, the guarantees and the variable remuneration [...], the failure to classify the risk represented by the debentures in advance"**, all of which showed that **"the acquisition of the debentures resulted from a decision-making process incompatible with the fiduciary duties** which, under the current regulation, bound the **manager to the quotaholders of the investment fund"**.

IN ITS RULING, CVM UNDERSTOOD THAT, EVEN THOUGH THE ADMINISTRATOR CAN NOT INFLUENCE THE INVESTMENT DECISIONS MADE BY THE MANAGER, IT SHALL MONITOR

THE COMPATIBILITY OF THE ASSETS HELD BY THE FUND WITH ITS INVESTMENT POLICY AND THE COMPLIANCE BY THE MANAGER WITH APPLICABLE REGULATIONS.

With this regard, the Reporting-Director also remarked that, if the acts under judgement in the Proceeding had taken place while the Normative Ruling No. 558/2015, issued by the Brazilian Securities and Exchange Commission, was in full force and effect – which is not the case –, the administrator of the fund would have been required to promptly notify the Brazilian Securities and Exchange Commission on the first evidences of violation of fiduciary duties by the manager.

Thus, the Reporting-Director decided:

(i) to convict the manager of the fund and its director responsible for managing its assets portfolio, since the decision to purchase the debentures was taken under circumstances contrary to the interests of the quotaholders and ignoring the technical study prepared by the administrator, in clear violation of their regulatory fiduciary duties; and

(ii) to absolve the administrator of the fund and its CEO, in view of the evidence that they had complied with their regulatory and fiduciary duties, considering that the administrator had previously presented a technical study disqualifying the transaction and complied with the limits of the activities related to fiduciary management.

MORE INFORMATION ON THE PROCEEDING CAN BE ACCESSED IN PORTUGUESE AT:
http://www.cvm.gov.br/noticias/arquivos/2018/20180724-3.html#PAS_BNY_Mellon

_ Law aiming at simplifying the requirements imposed by the Brazilian public administration has come into force

On November 23th, 2018, Law No. 13.726, of October 08th, 2018, ("Law no. 13.726") came into force, aiming at simplifying acts and procedures involving the Brazilian federal, district and local public administration in its relationship with citizens.

Among the innovations introduced by Law no. 13.726, we highlight the dismissal of:

(i) **certification of signatures on documents presented to public bodies.** The administrative agent shall be responsible for comparing the signatory's signature with the signature stamped on his identity card and to certify the authenticity of the signature;

(ii) **certification of document copies.** The administrative agent shall be responsible for comparing the original version with the copy presented on each occasion and to certify the authenticity of the copy; and

(iii) **presentation of personal documents**, which can be replaced by a copy certified by the public agent on each occasion.

Furthermore, **none of the bodies and entities belonging to the Brazilian public administration shall be entitled to demand the presentation of certificates or any other document issued by other bodies or entities belonging to the same body of the public administration**, except when the document: (i) consists of a criminal clearance certificate; (ii) contains information about corporate entities; or (iii) can be demanded by means of specific law provisions.

MORE INFORMATION ON LAW NO. 13.726 CAN BE ACCESSED IN PORTUGUESE AT:

http://www.planalto.gov.br/ccivil_03/_ato2015-2018/2018/Lei/L13726.htm