



CVM Resolution introduces new rules for investment funds

The Brazilian Securities and Exchange Commission (“CVM”) published, on December 23, 2022, CVM Resolution 175 (“RCVM 175”), which regulates the incorporation, operation, and disclosure of information of investment funds. RCVM 175 is composed of a general part applicable to all categories of investment funds and of schedules referring to specific rules applicable to different categories of funds.

Within the general part, RCVM 175 consolidated changes brought by Law 13.874, published on September 20, 2019 (“Economic Freedom Law”), with emphasis on:

- (i) limitation of liability of quota holders to the value of their quotas;
- (ii) the possibility of creating classes of quotas with segregated assets;
- (iii) the application of civil insolvency to investment funds.

In the part regarding to specific categories of funds, RCVM 175 has two schedules. The first one is about Financial Investment Funds (“FIF”), comprising shares, foreign exchange, multimarket and fixed income, and the second one is about Credit Rights Investment Funds (“FIDC”).

Regarding FIFs, the following new provisions of RCVM 175 stand out:

- (i) allows investments in environmental assets and crypto actives;
- (ii) increases the concentration limits per type of financial asset; and
- (iii) increases the capital risk limits’ exposure (leverage).

Regarding FIDCs, RCVM 175 sets forth:

- (i) assigns liability to managers for structuring the fund and verifying the ballast of credit rights; and
- (ii) includes the obligation of registration of credit rights.

According to CVM, the other categories of funds not yet covered by the new rule will have their own Schedules attached in the resolution before entering into force, on April 3, 2023.

CVM Resolution 175 can be accessed in Portuguese through the link below:

<https://conteudo.cvm.gov.br/export/sites/cvm/legislacao/resolucoes/anexos/100/resol175.pdf>



Brazilian Central Bank publishes resolutions regarding the new Foreign Exchange Law

To regulate Law 14.286, published on December 29, 2021 ("New Foreign Exchange Law"), which came into force on December 31, 2022, the Brazilian Central Bank ("BACEN") has published a series of resolutions regarding the following topics:

- (i) BACEN Resolution 277 ("Resolution 277"): foreign exchange market, and inflows and outflows in Brazilian Real and foreign currency amounts in the country;
- (ii) BACEN Resolution 278 ("Resolution 278") and Resolution BCB No. 281 ("Resolution 281"): respectively, foreign credit transactions and foreign direct investment, and transitory provisions related to Resolution 278;
- (iii) BACEN Resolution 279 ("Resolution 279"): Brazilian capital abroad;
- (iv) BACEN Resolution 280 ("Resolution 280"): definition of the terms "resident" and "non-resident", as mentioned in the New Foreign Exchange Law.

It is noteworthy that, in compliance with the rules set forth in Decree 10.139, of November 28, 2019 ("Decree 10.139"), BACEN has

standardized the terminology of regulations it issues in ordinances, resolutions or normative instructions.

The resolutions can be accessed in Portuguese through the links below:

Resolution 277:

<https://www.bcb.gov.br/estabilidadefinanceira/exibenormativo?tipo=Resolu%C3%A7%C3%A3o%20BCB&numero=277>

Resolution 278:

<https://www.bcb.gov.br/estabilidadefinanceira/exibenormativo?tipo=Resolu%C3%A7%C3%A3o%20BCB&numero=278>

Resolution 279:


<https://www.bcb.gov.br/estabilidadefinanceira/exibenormativo?tipo=Resolu%C3%A7%C3%A3o%20BCB&numero=279>

Resolution 280:

<https://www.bcb.gov.br/estabilidadefinanceira/exibenormativo?tipo=Resolu%C3%A7%C3%A3o%20BCB&numero=280>

Resolution 281:

<https://www.bcb.gov.br/estabilidadefinanceira/exibenormativo?tipo=Resolu%C3%A7%C3%A3o%20BCB&numero=281>



Federal Revenue publishes ruling about the CNPJ (taxpayers' registration number)

The Federal Revenue of Brazil published on December 6, 2022, Normative Instruction RFB 2119 (“IN 2119”), which changes some understandings about the Brazil National Registry of Legal Entities Number (“CNPJ”). IN 2119 went into effect on January 1, 2023, intending to simplify and debureaucratize procedures.

Among the amendments, IN 2119 brings some innovations related to the process of declaration of the ultimate beneficial owner and starts to admit the issuance of CNPJ of companies with only 1 officer, in addition to allowing the registration of managers residing abroad, provided that an attorney-in-fact residing in Brazil is indicated.

The following changes introduced by IN 2119 are also worth mentioning:

- (i) the decrease of accessory tax obligations for those who request temporary suspension of their activities;
- (ii) the possibility of issuing a certificate to prove the non-existence of a bond between the individual who is a representative, partner, or administrator and a CNPJ.

IN 2119 can be accessed in Portuguese through the link below:

<http://normas.receita.fazenda.gov.br/sijut2consulta/link.action?idAto=127567>



CVM publishes the 2023-2024 Risk-Based Supervision Biennial Plan

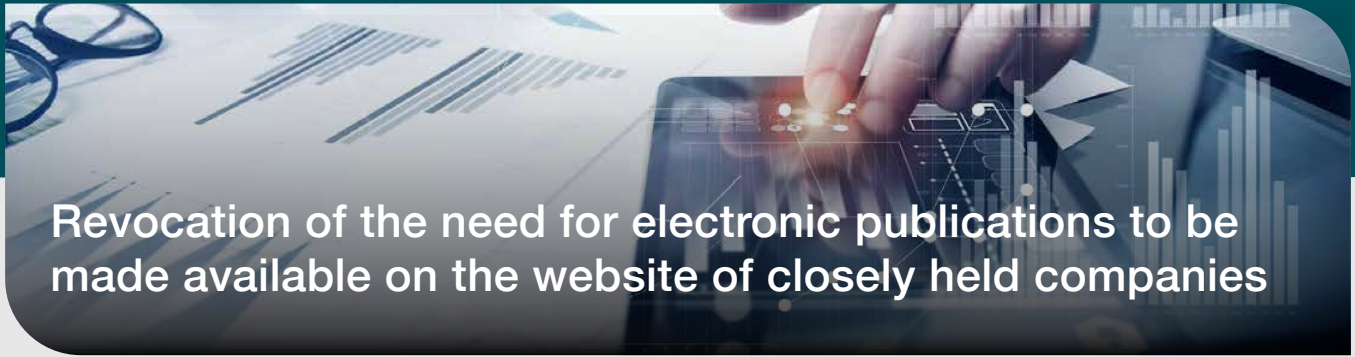
CVM published, on December 21, 2022, the new Risk-Based Supervision Plan for the 2023-2024 biennium (“[2023-2024 Plan](#)”), in which it introduced the so-called “emerging risks”. The biennial risk-based supervision plans are part of CVM’s strategy to identify, analyze, assess, address, and monitor securities market risks.

CVM Resolution 53/2021, of October 15, 2021 (“[RCVM 53](#)”), which regulates CVM’s Integrated Risk Management System, considers as risk the events or series of events previously identified whose possible occurrence represents a threat to the fulfillment of its legal mandates, and were classified until then as economic, operational or integrity related.

The 2023-2024 Plan kept some risks from the previous two-year plan, such as those concerning the marginal market, related party transactions, prevention and fighting against money laundering and terrorism financing, and proliferation of weapons of mass destruction, and indicated new prioritized risks, such as those linked to the securities offering. The innovation in the 2023-2024 Plan is the inclusion of emerging risks, which are divided into three types:

- (i) influencers risk, created due to the expressive increase of natural persons as investors and the performance of digital influencers who explore topics related to the securities market;
- (ii) securities market governance risks in ESG actions, a wide relevance topic in the national and international scenario that, as of 2023, was included in the reference form (*formulário de referência*) that must be disclosed by Brazilian listed companies; and
- (iii) risks regarding unregistered security tokens offerings by large crypto active brokerage houses, a relevant matter due to the increase in tokenization procedures that have been occurring in the market and whose monitoring will allow CVM to dimension the token market and to point out possible securities framing.

CVM’s thematic supervision is carried out by several technical areas, which shall coordinate efforts to offer a comprehensive and multifaceted analysis.



Revocation of the need for electronic publications to be made available on the website of closely held companies

We contributed on this subject in an article published in the Legislação & Mercado section of Capital Aberto on January 25, 2023, which can be accessed in Portuguese through the link below:

<https://legislacaoemercados.capitalaberto.com.br/influenciadores-e-aco-esg-na-mira-da-cvm/>

The 2023-2024 Plan can be accessed in Portuguese through the link below:

https://www.gov.br/cvm/pt-br/aceso-a-informacao-cvm/aco-es-programas/plano-de-supervisao-baseada-em-risco/2023-2024/Plano%20Bial%20CVM%20SBR%202023-2024/@@download/file/plano_bial_cvm_sbr_2023-2024.pdf