



Foreign Capital Registration Update

At the end of 2016, Resolution 4533 of the National Monetary Council and Circular Letter 3814 of the Central Bank of Brazil were published, addressing certain changes to the rules on registration of foreign investment in Brazil.

Among such changes, we highlight the **obligation of companies receiving foreign investments to periodically update their economic and financial information**. Such information includes the amounts recorded in net equity accounts, and must be declared on the Registration System of the Foreign Direct Investment (RDE-IED) on the website of the Central Bank of Brazil.

The update is necessary whenever there is an event that changes the foreign investor's ownership (within 30 days counted from the event), and also quarterly or yearly, as follows (as approved by Circular Letter 3822):

- (a) Companies receiving foreign investments whose assets or net equity are equal to or exceed R\$ 250 million must update their economic and financial information 4 times a year: (i) up to June 30, in relation to the reference date March 31 of each year; (ii) up to September 30, in relation to the reference date June 30 of each year; (iii) up to December 31, in relation to the reference date September 30 of each year; and (iv) up to March 31, in relation to the reference date December 31 of each year; and
- (b) Other companies receiving foreign investments must update their economic and financial information once a year, up to March 31 in relation to the reference date December 31 of each year.

The failure to submit, delayed submission, or submission with incorrect or false information of the statement may give rise to the imposition, by the Central Bank of Brazil, of fines of up to R\$ 250,000.

This warning contains information and general comments on legal matters that may interest our clients and friends. It does not represent the legal opinion of our firm on the subjects addressed herein. In specific cases, readers should rely on proper legal assistance before adopting any concrete action relating to the matters addressed herein.

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