

Ref.: Reasonability of considerations

CIRCULATING LETTER # 2436 of Jun. 30, 1994

On assets and liabilities operations subject to minimum terms performed in the financial marketplace, their respective compensations and consolidating norms in this respect.

The Directorate of the Central Bank of Brazil, in the course of a session held on Jun. 30, 1994, based upon the contents of arts. 10 and 11 of Law # 8,177 of Mar. 01, 1991, arts. 8 and 9 of Law # 8,660 of May 28, 1993 and item IV of Ordinance # 1,143 of Jun. 26, 1986.

DECIDES:

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Art. 4 Periodic settlement of returns and periodic amortization of the principal in financial institutions' assets operations and fixed term deposits and letters of exchange referred to in previous articles are permitted.

1. A minimum 30- (thirty-) day period shall be observed between payments and amortization's, and the first amortization of the principal may take place within a shorter period to adequate the terms of amortizations to dates more convenient to the beneficiary of the credit, observed the minimum period of time from the first amortization and the minimum terms set forth in the present Circulating Letter.

2. On periodic amortizations of the principal, the relationship between the amortized total and the grand total amount of the operation shall not exceed the ratio between the time passed and the total term of the operation.

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Brasília, June 30th, 1994

CLÁUDIO NESS MAUCH

Director for Norms and Organization of the Financial System

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