

## CIRCULAR LETTER Nº 2,796

Publishes changes in the Regulation on Exchange Agreement and Classification of Operations and in the Regulation of Floating Rate Exchange Market.

We hereby bring to the knowledge of interested parties that, in view of provisions of Circular 2,816, of 04/15/1998, and based on Article 4 of Circular 2,231, of 09/25/1992, and Circular 1,936, of 04/15/1991, we are hereby promoting:

I - On Title 14, Section XIV, of the Regulation on Exchange Agreement and Classification of Operations, which constitutes Chapter 1 of Consolidation of Exchange Regulations:

- a) inclusion of operation nature code 45591 -- OTHER SERVICES -- FRANCHISE;
- b) harmonization of code names with provisions of Circular 2,816, of 04/15/1998;

II - on Title 13, Section V of the Regulation of Floating Rate Exchange Market, which constitutes Chapter 2 of Consolidation of Exchange Regulations, amendment to exclude from processing on such market remittances related to technical services registered with the Central Bank of Brazil, which shall be performed on the Free Rate Exchange Market.

2. Pages necessary for updating such Regulations are enclosed hereto.
3. This Circular Letter is effective upon publication.

Brasília, April 23, 1998.

DEPARTMENT OF EXCHANGE

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Head

Remark: Amended parts of Consolidation of Exchange Regulations are published in what follows.

### CONSOLIDATION OF EXCHANGE REGULATIONS

CHAPTER: Exchange Agreement - 1

TITLE: Nature of Operation - 14

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XIV - OTHER SERVICES

NATURE OF OPERATION	CODE	REMARKS
1-SERVICES IMPORT/EXPORT 1/ PATENTS exploitation/assignment license	45625	1/ An exchange agreement related to principal in service export operations, either financed or otherwise, shall be registered as purchase of foreign currency - export, and an exchange agreement related to interests as purchase of foreign currency - financial transfer.
TRADEMARKS use/assignment license	45618	
SUPPLY OF: - technology	45632	
- technical assistance services	45649	
FRANCHISE	45591	2/ Includes manpower used to repair: (a) petroleum exploitation platform; (b) vehicles, vessels and aircrafts not belonging to transportation companies.
PROJECT IMPLEMENTATION OR INSTALLATION		3/ Includes complementary services and/or expenses linked to operations subject to endorsement by National Institute of Industrial Property and registered with the Central Bank of Brazil.
- technical/economic	45656	4/ Includes simple lease and operational
- industrial	45663	
- engineering	45670	

SPECIALIZED TECHNICAL SERVICES 2/					
- industrial projects, designs, models	45687				lease, except lease of goods and chattel and transportation goods, with amortization lower than 75% of such good.
- engineering projects, designs, models	45694				
- assembly of equipment	45704				5/ Includes videotapes for exhibition in cinemas and/or broadcasting by radio and television.
- other technical/professional services	45711				
2 - OTHER					6/ Records subscription of newspapers and magazines, made by natural or juristic persons, as well as those made by a book trading company, including as intermediary.
MANAGERIAL	45388				
LEASE OF EQUIPMENT 4/	45010				7/ Refers to remittances and acquisitions for the purchase abroad, intended for treatment within the country, of medicine of foreign origin and source, non-existing in the domestic market, provided not intended for resale.
LEASE OF CINEMA FILMS	45034				
LEASE OF RECORDED TAPES AND DISCS 5/	45058				
LEASE OF REAL ESTATES	45072				
SUBSCRIPTION OF NEWSPAPERS, MAGAZINES, ETC. 6/	45096				8/ Includes revenues/expenses related to fees on letters of credit negotiation, delivery and fees expenses, etc. It does not include interests and fees on bank loan and financing, which shall be classified in Section XI.
ACQUISITION OF MEDICINE ABROAD 7/	45106				
BANKING 8/	45405				9/ Registers the amount of agreed fees for services rendered. It does not include fees on loans and financing that shall be classified on Section XI.
AGREEMENT FEES 9/					
- Agent fees	45209				
- Other fees	45223				
COMMUNICATION 10/	45182				
CONGRESSES 11/	45319				
BROKERAGES 12/	45261				10/ Restricted to registration of settlement, with other countries, of postal, telegraph, telex, telephone and radio bills. It does not include transfers related to profits of companies rendering such services, which shall be entered in Section XI, as well as payments made to courier companies, which shall be entered in Section VIII.
COURSES 13/	45326				
COPYRIGHTS	45443				
FEES					
- Members of consulting, administration boards	45522				
- Liberal professionals	45539				
PROFITS AND LOSSES IN MERCHANT TRANSACTIONS WITH OTHER COUNTRIES 14/	45601				11/ To be used in transfers related to symposia, congresses, round tables, seminars and meetings registration fees, as well as correspondence courses paid with public funds.
TRADEMARKS AND PATENTS -- REGISTRATION -- DEPOSITS OR MAINTENANCE	45821				
OPERATIONS IN COMMODITY EXCHANGES ABROAD					
- Guaranty margins 15/	45742				12/ It does not include brokerage fees related to commodity exchange operations abroad (hedge operations).
- Brokerages, fees, expenses 16/	45759				
- Realized profits	45766				13/ Registers transfers for payment of school fees and other expenses charged by educational institutions abroad, such as accommodation, meals, books, when paid with public funds.
- Realized losses	45773				
HEDGE OPERATIONS					
- Through options -- results	45728				14/ Includes transfers related to price adjustments, differences in weight, type or quality, as well as the result of transactions with goods abroad not nationalized within Brazil and intended to another country.
- Through swaps -- results	45780				
- Guaranty margin -- fees, premiums, other similar transfers from and to other countries	45807				15/ Includes initial deposit to open account with brokers.
OTHER SERVICES RELATED TO MERCHANT TRANSACTIONS WITH OTHER COUNTRIES 17/	45797				
PARTICIPATION IN EXHIBITIONS 18/					
- Abroad	45979				16/ Includes interests linked to hedge operations.
- in Brazil	45986				
ADVERTISING 18/	45883				
REMUNERATION FOR COMPETITIONS OR EXHIBITIONS 19/	45890				17/ Includes transfers related to services directly linked to merchant transactions, such as warehousing, arbitration, expert examination, inspection of goods, participation in international procurements
PRESS AND FINANCIAL INFORMATION SERVICES	45900				

PERSONAL COMPENSATIONS AND SALARIES 45955  
19/

(including acquisition of procurement notice).

18/ Includes transfers related to lease of space, assembly of booths, reception, etc. when linked to foreign trade.

19/ When paid with public funds, directly to the beneficiary abroad.

CONSOLIDATION OF EXCHANGE REGULATIONS

CHAPTER: Floating Rate Exchange Market - 2

TITLE: Other Transfers - 13

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V - PROFESSIONAL TECHNICAL SERVICES

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25. Transfers linked to commercial operations, as foreseen in Chapter 3 of Consolidation of Exchange Regulations, and transfers related to technical services registered with the Central Bank of Brazil, shall be processed on the Free Rate Exchange Market.

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