

CIRCULAR Nº 3,003

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Establishes criteria for foreign loan operations.

The Board of Governors, the CENTRAL BANK OF BRAZIL, in view of the provisions of Resolution 2,770, of August 30, 2000,

D E C I D E D:

Article 1 - It is hereby established that the provisions of this Circular shall be complied with in the contracting of foreign loan operations mentioned by Resolution 2,770, of August 30, 2000.

Article 2 - For the purpose of the registration envisaged by Article 4 of Resolution 2,770, of 2000, the borrower of the foreign funds is responsible for submitting the request for registering the operation, under the form defined by the Foreign Capital Department - FIRCE, to the bank intervening in the exchange operation.

Sole Paragraph - Submission of the request for registration as mentioned in the "*caput*" of this Article 2 is a mandatory condition for the contracting of exchange related to the respective entrance of funds into Brazil.

Article 3 - The term of validity for registrations issued by FIRCE for the purpose of exchange settlement or international transfer in domestic currency for remittance of payment is limited to 120 calendar days from each date of maturity.

Article 4 - Any change in the registration of a foreign loan operation, including renewals and extensions thereof, depends on previous approval by FIRCE.

Article 5 - FIRCE and the Foreign Exchange Department - DECAM are hereby authorized to issue the rules specifying the foreign exchange procedures related to financial transactions mentioned by Article 3 of Resolution 2,770, of 2000.

Article 6 - In case of a foreign loan performed through the issue of securities, a prospective public sector borrower shall inform the Central Bank of Brazil, before any decision to approach foreign markets, of its intention, accompanied by a preliminary statement issued by the Secretariat of the National Treasury, the Ministry of Finance.

Paragraph 1 - Upon obtaining the agreement by the Central Bank of Brazil related to approaching foreign markets, the borrower shall enter into consultation with at least five market agents and submit to FIRCE a request for accreditation, under the regulations in effect, accompanied by a final favorable opinion on the operation by the Secretariat of the National Treasury, the Ministry of Finance, and a schedule containing the financial conditions offered by such market agents, including the criteria for selecting the best tender, being admitted the definition of final costs upon the effective issue of the securities based on best efforts.

Paragraph 2 - A public sector issuer may not grant any powers to the agent winner of the tender before the operation has been accredited.

Paragraph 3 - For the purposes of Article 10 of Resolution nº 2,770, of 2000, in case the operation conditions are accepted by the Central Bank of Brazil, such operation shall be accredited under the applicable legislation and regulation in effect.

Article 7 - In any financial transaction related to the entrance of funds into Brazil, resulting from foreign loans contracted by borrowers mentioned in Article 10 of Resolution 2,770, of 2000, the number of the respective letter of accreditation issued by FIRCE must be entered in the appropriate field of the exchange agreement, and the borrower and the intervening bank shall be responsible for such information.

Article 8 - In any financial transaction with a foreign country, the number of the registration issued by the Central Bank of Brazil must be entered in the appropriate field of the exchange agreement or in the screen of registration of transactions in domestic currency of accounts held by individuals domiciled abroad, being the borrower and the intervening bank responsible for such information.

Article 9 - FIRCE is hereby authorized to issue the complementary rules and take the measures as necessary for the performance of the provisions of this Circular.

Article 10 - This Circular shall be effective upon publication.

Brasília, August 30, 2000

Daniel Luiz Gleizer

Director