



## SECURITIES AND EXCHANGE COMMISSION OF BRAZIL, CVM

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**Translation Date: May 13th, 2022**



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CVM RESOLUTION No. 35, OF MAY 26, 2021

### CVM RESOLUTION No. 35, OF MAY 26, 2021

It establishes the rules and procedures to be observed in the intermediation of transactions with securities in regulated stock markets and revokes CVM Resolution No. 105, of January 22, 1991, and CVM Instruction No. 51, of June 9, 1986, CVM No. 333, of April 6, 2000, CVM No. 505, of September 27, 2011, CVM Instruction No. 526, of September 21, 2012; CVM Instruction No. 581, of September 29, 2016; CVM Instruction No. 612, of August 21, 2019; and CVM Instruction No. 618, of January 28, 2020.

The **CHAIRMAN OF THE SECURITIES AND EXCHANGE COMMISSION OF BRAZIL (CVM)** makes known that the Board, at a meeting held on August 11, 2021, based on the provisions of the arts. 8, I, 15, paragraph 1, 16, and 18, II, lines “a” and “c”, of Law No. 6,385, of December 7, 1976, as well as arts. 5, and 14 of Decree No. 10,139, of November 28, 2019, **APPROVED** the following Resolution:

#### CHAPTER I - SCOPE AND PURPOSE

Art. 1 – This Resolution provides for the intermediation of transactions with securities on regulated stock markets.

Sole Paragraph. This Resolution does not apply to merchandise brokers, whose activities are regulated by a specific rule.

#### CHAPTER II - DEFINITIONS

Art. 2 – For the purposes of this Resolution, it is considered:

I – principal or customer: the natural person or legal entity, investment fund, investment club, or non-resident investor, on behalf of which securities transactions are carried out;

II– sensitive data or information: data or information so classified by the broker, in compliance with the provisions of the sole paragraph of art. 42;

III– director of internal controls: statutory director responsible for the activities provided for in item II of art. 5;



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CVM RESOLUTION No. 35, OF MAY 26, 2021

IV– director responsible for compliance with the rules established by this Resolution: statutory director responsible for the provisions of item I of art. 5;

V– self-regulatory body: body responsible for self-regulation of organized markets covered by the rules governing regulated stock markets;

VI– relevant cybersecurity incident: incident that affects critical business processes, or sensitive data or information, and has a significant impact on customers;

VII– broker: the institution qualified to act as a member of the distribution system, for its own account and for the account of third parties, in the trading of securities on regulated stock markets;

VIII– member or clearing agent: the financial institution or equivalent institution responsible for those to whom it provides services and to the clearing and settlement entity for the clearing and settlement of transactions with securities under its responsibility;

IX– offer: act by which the broker expresses the intention to carry out a business with a security, for itself, for its customers or other persons with whom it maintains a contractual relationship, registering the necessary terms and conditions in the trading system of an entity managing organized markets;

X– order: prior act by which the customer determines that a broker negotiates or registers a transaction with securities, under art. 12, on its behalf and under the conditions it specifies;

XI– administrative bodies of the broker: bodies as defined in its bylaws or articles of association;

XII- related parties;

a) administrators, employees, operators, and other agents of the broker who perform intermediation or operational support activities;

b) self-employed agents who provide services to the broker;

c) other professionals who maintain, with the broker, a contract for the provision of services directly related to the intermediation activity or operational support;

d) natural persons who are, directly or indirectly, controlling or participate in the corporate control of the broker;

e) companies controlled, directly or indirectly, by the broker or by persons linked to it;

f) spouse or partner and minor children of the persons mentioned in items "a" to "d"; and

g) clubs and investment funds whose majority of quotas belong to related parties, unless managed at their discretion by unrelated third parties;

XIII – business continuity plans: written action plans that define the procedures and systems necessary to continue or restore the operation of the broker in case of interruption of critical business processes;



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XIV– critical business processes: processes and operational activities whose unscheduled interruption or unavailability may have a significant negative impact on the broker's business, subject to the provisions of paragraph 1 of art. 38;

XV– relevant services: services related to critical business processes pursuant to art. 38;

XVI– critical systems: term defined in art.39; and

XVII– current account system: system for recording customers' financial transactions with the broker.

Sole Paragraph. The references of this Resolution to the customer term include acts from its attorney, legal representative or person authorized by it, according to its registration.

### CHAPTER III – INTERMEDIATION ON REGULATED MARKETS

Art. 3 – The intermediation of the transactions of the regulated stock markets is privative of the institutions qualified to act as members of the distribution system, for its own account and for the account of third parties, in the trading of securities on regulated stock markets.

Art. 4 – The broker shall adopt and implement:

I – adequate and effective rules for compliance with the provisions of this Resolution; and

II – procedures and internal controls in order to verify the implementation, application, and effectiveness of the rules mentioned in item I.

Paragraph 1 – The rules, procedures, and internal controls pursuant to this article shall:

I – be written;

II – be verifiable; and

III – be available for consultation of the persons mentioned in article 2, item XII, items "a" to "c", of the CVM, of the administrative entities of the organized markets in which the broker is authorized to operate and of the self-regulatory entity, if applicable.

Paragraph 2 – Non-compliance with the provisions of items I and II of the **introductory paragraph** are considered not only the absence or insufficiency of the rules, procedures, and controls referred to therein, but also their non-implementation or inadequate implementation for the purposes provided for herein.



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CVM RESOLUTION No. 35, OF MAY 26, 2021

Paragraph 3 – Evidence of inadequate implementation of internal rules, procedures, and control

is:

I – the repeated occurrence of failures; and

II – the absence of registration of the application of the methodology, in a consistent and verifiable manner.

Paragraph 4 – Without prejudice to the responsibility of the directors provided for in items I and II of the **introductory paragraph** of art. 5, the management bodies of the brokers shall:

I – approve the rules and procedures pursuant to the **introductory paragraph**; and

II – supervise the compliance and effectiveness of the procedures and internal controls pursuant to the **introductory paragraph**.

Art. 5 – The broker shall appoint:

I – a statutory director responsible for compliance with the rules established by this Resolution; and

II – a statutory director responsible for supervising the procedures and internal controls provided for in item II of the **introductory paragraph** of art. 4.

Paragraph 1 – The appointment or replacement of the statutory directors pursuant to items I and II shall be informed to CVM and the entities managing the organized markets in which the broker is authorized to operate, if applicable, within seven (7) business days.

Paragraph 2 – The functions pursuant to items I and II of the **introductory paragraph** cannot be performed by the same statutory director.

Paragraph 3 – The function pursuant to item II of the **introductory paragraph** cannot be performed in conjunction with functions related to the broker's trading desk.

Paragraph 4 – Without prejudice to the provisions of item II of the **introductory paragraph** and paragraph 2 of this article, the broker may assign to a specific director the responsibility for the fulfillment of the obligations provided for in Chapters XI and XII of this Resolution, provided that:

I – the performance of the functions accumulated by the director does not give rise to a conflict of interest; and

II – the responsibility assigned to each director is included in the information security policy



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CVM RESOLUTION No. 35, OF MAY 26, 2021

provided for in articles 41, item II, and 45.

Paragraph 5 – The directors pursuant to items I and II of the **introductory paragraph** shall act with probity, good faith, and professional ethics, employing, in the performance of their duties, all the care and diligence expected of a professional in their position.

Paragraph 6 – The director of internal controls shall send a report to the broker's management bodies, by the last business day of April of each year, containing at least:

I – detailed and updated description of:

a) internal controls implemented, informing the types of existing controls and the activities and operations covered;

b) methodology applied for the choice and performance of the examinations, indicating, for example, monitoring mechanisms, parameters used to verify abnormalities or failures, as well as criteria established for the selection of samples; and

c) procedures performed to analyze the deficiencies found;

II – details of the tests carried out and the conclusions reached regarding the efficiency and effectiveness of the internal controls to ensure compliance with the provisions of Chapters IV to VIII and X to XIII of this Resolution involving:

a) the activities of customer registration, transmission, and execution of orders, specification of principals, transactions with related persons, transfer of transactions, payment and receipt of values, rules of conduct and maintenance of files, covering both the broker's performance in the stock market and in the organized over-the-counter market; and

b) monitoring of information technology infrastructure, provided for in Chapters XI and XII, with emphasis on the cybersecurity program pursuant to art. 45;

III – recommendations regarding any deficiencies that have been identified in the reporting reference exercise by the broker, CVM, the market management entity in which it is authorized to operate and the self-regulatory entity, with the establishment of action plans and sanitation schedules for correction, when applicable;

IV – risk assessment for the broker in relation to its internal controls and its vulnerability to cyber-attacks; and

V – manifestation of the director responsible for compliance with the rules established by this Resolution regarding the deficiencies found, containing at least:



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CVM RESOLUTION No. 35, OF MAY 26, 2021

a) in relation to each of the deficiencies that have been identified in the previous year, including those identified by CVM, by the market management entity in which it is authorized to operate and by the self-regulatory entity, information on the progress or on the possible conclusion of the actions planned to remedy them;

b) in relation to the deficiencies pointed out in the previous reports, inform whether the sanitation schedules have been implemented and the result of the actions taken to remedy the deficiencies;

c) reasoned assessment of the evolution of the broker in meeting the requirements of this Resolution during the reporting period; and

d) evaluation on the adequacy of the business continuity plan, indicating the needs for improvement, when necessary.

Paragraph 7 – All activities mentioned in item II of paragraph 6 shall be included in the annual report, even if they are not applicable to the broker's internal processes, are of little relevance or offer low risk in the context of the broker's activities, and only the reason that justifies the absence of mention of the conclusions of the tests carried out in these cases shall be presented.

Paragraph 8 – If the broker has assigned responsibility for the fulfillment of the obligations provided for in Chapters XI and XII of this Resolution to a specific director, in the form of paragraph 4, the report pursuant to Paragraph 6 shall also include its manifestation under the terms of items "a", "b", "c" and "d" of item V of paragraph 6 of this article.

Paragraph 9 – The report pursuant to paragraph 6 shall be available at the broker's headquarters for consultation by the CVM, the market management entity in which it is authorized to operate and the self-regulatory entity, if applicable, and it is not necessary to send it, except when requested by the CVM and the entities mentioned in this paragraph.

### CHAPTER IV – CUSTOMER REGISTRATION

Art. 6 – The broker shall make and maintain the registration of its customers with the minimum content determined in a specific standard.

Paragraph 1 – The registration of customers can be made and maintained in an electronic system.

Paragraph 2 – The electronic customer registration maintenance system pursuant to

Paragraph 1 shall:



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[www.cvm.gov.br](http://www.cvm.gov.br)

CVM RESOLUTION No. 35, OF MAY 26, 2021

I – enable immediate access of the broker to the registration data; and

II – use technology capable of fully complying with the provisions of this Resolution and the specific rules regarding customer registration.

Paragraph 3 – The brokers shall identify the persons authorized to issue orders on behalf of more than one principal and inform the organized market management entities in which they operate under the terms and standards established by them.

Art. 7 – The customer registration maintained by the broker shall allow the identification of the date and content of all changes and updates made.

Sole Paragraph. Without prejudice to other procedures and controls adopted pursuant to art. 39, the broker shall ensure that the electronic registration systems contain complete and sufficient audit trails to ensure the tracking of inclusions, changes, and exclusions, and that at least:

I – the responsible user;

II – the date and time of the occurrence of the event; and

III – if the event is an inclusion, change or exclusion.

Art. 8 – The broker shall maintain the register of its customers updated with the organized market management entities in which it operates and the corresponding clearing and settlement entities, if applicable, under the terms and standards established by them.

Art. 9 – The broker may use a unified registration if it is part of a financial conglomerate.

Sole Paragraph. Unified registration means the electronic system for storing information and documentation for shared use.

Art. 10 – The broker can only make a registration change of the customer's address by express order of the holder, and shall keep it on file in the form of art. 48.

Art. 11. Without prejudice to the responsibilities applicable to the broker under the terms of this Resolution, the preparation and maintenance of customer records may, with the approval of the CVM, be carried out centrally by the organized market management entities, by the clearing and settlement entities and by the entities representing market participants.





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CVM RESOLUTION No. 35, OF MAY 26, 2021

### CHAPTER V – ORDERS

#### Section I – Transmission of Orders

Art. 12 – The broker may only execute a business or register a transaction with securities for a customer upon its prior order, and under the conditions established, except for the exceptions provided by law or in the rules issued by the CVM and the organized market management entity in which the broker is authorized to operate.

Paragraph 1 – The order may be transmitted:

I – by telephone or other voice transmission systems;

II – in writing, including orders received in person, by electronic mail or by other electronic messaging systems; or

III – by electronic direct market access trading systems (**direct market access –DMA**).

Paragraph 2– All orders shall be recorded, identifying the time of receipt, the customer who issued them and the conditions for their execution.

Paragraph 3 – The customer's registration shall identify the forms of transmission of orders authorized by the customer.

Paragraph 4 – The broker shall identify and register the issuer of the order, whether transmitted by the customer, by its attorney-in-fact, legal representative, or by a person authorized by the customer, at the time of its transmission under items I and II of paragraph 1 of this article.

Art. 13. The broker shall file the records of the orders transmitted by the customers and the conditions under which they were executed, regardless of their form of transmission.

Sole Paragraph. Without prejudice to other procedures and controls adopted pursuant to art. 43, the broker shall have specific procedures for archiving data and voice records related to the transmitted orders that guarantee:

I – the confidentiality, authenticity, integrity, and availability of information;

II – compliance with the provisions of the sole paragraph of art. 7; and

III – the maintenance of backup copies in an environment other than that intended for the storage of information pursuant to the **introductory paragraph**, under safe conditions of storage, access, and preservation.



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CVM RESOLUTION No. 35, OF MAY 26, 2021

### Subsection I – Recording Orders

Art. 14. The broker acting in an organized market shall maintain a recording system of all dialogues maintained with its customers, including through agents, in order to record orders transmitted by telephone or other voice transmission systems.

Paragraph 1. Without prejudice to the provisions of art. 13, the recording system pursuant to the **introductory paragraph** shall maintain control of the telephone lines and extensions used by each user.

Paragraph 2. Organized market management entities shall adopt a regulation on the recording system pursuant to the **introductory paragraph** and carry out their inspection.

Paragraph 3. The regulation of the recording system shall establish the criteria and minimum standards for system availability and information retrieval.

Paragraph 4. The administrative entities shall submit to CVM approval the regulation on the recording system pursuant to the **introductory paragraph**.

### Subsection II – Orders Transmitted Face-to-Face

Art. 15. The order received in person shall be documented, in physical or digital media, prior to its execution, containing at least:

I – date and time of receipt;

II customer's signature;

III – identification of who received it;

IV – nature and type of order, as provided for in the regulations of the organized market management entity;

V – period of validity of the order; and

VI – a description of the security, the quantities and, where appropriate, the prices.

### Subsection III – Orders Transmitted by Direct Market Access Trading Systems

Art. 16. The broker may receive orders from its customers through electronic trading systems with direct access to the market in accordance with the conditions and rules established by the entities managing organized markets.

Paragraph 1. The broker who receives orders from its customers under the conditions provided for in the **introductory paragraph** shall:



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CVM RESOLUTION No. 35, OF MAY 26, 2021 [www.cvm.gov.br](http://www.cvm.gov.br)

I – adopt procedures to seek the identification of the origin of the orders and ensure the tracking of their issuer; and

II – maintain a pre-operational risk management control system, including the establishment and monitoring of operational limits and parameters to identify transmission of orders due to error.

Paragraph 2. The system pursuant to item II of paragraph 1 shall allow the monitoring, control, and adoption of measures to adapt the orders that exceed the operational limits established by the broker for each customer.

Art. 17. The non-resident broker and portfolio administrator may only be users of terminals of electronic trading systems with direct access to the market if they meet the following requirements:

I – be headquartered in a country whose stock market regulatory body has entered into a mutual cooperation agreement with the CVM that allows the exchange of financial information from investors or is a signatory to the multilateral memorandum of understanding of the **International Organization of Securities Commissions – IOSCO**; and

II – be registered in your home country as an broker or portfolio administrator.

Art. 18. Organized market managers shall adopt regulations on the functioning of electronic trading systems for direct market access.

Paragraph 1. The administrative entities shall submit to CVM approval the regulation on the recording system pursuant to the **introductory paragraph**.

Paragraph 2. In the regulation pursuant to the **introductory paragraph**, the organized market management entities shall establish that intermediaries that are not persons authorized to operate are subject, by means of an express contractual provision, to their power of self-regulation, in relation to the rules on the use of electronic trading systems with direct access to the market.

Art. 19. Transactions arising from orders transmitted through electronic trading systems with direct access to the market shall be supervised by the organized market management entities and by the self-regulatory entity under the terms of the specific regulations.

Sole Paragraph. The self-regulatory entity shall include the operations pursuant to the **introductory paragraph** in its work programme.

### Section II – Execution of Orders

Art. 20. The broker shall execute the orders under the conditions indicated by the customer or, in the absence of indication, under the best conditions that the market allows.



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CVM RESOLUTION No. 35, OF MAY 26, 2021 [www.cvm.gov.br](http://www.cvm.gov.br)

**Sole Paragraph.** In order to assess the best conditions for the execution of orders, the broker shall consider the price, cost, speed, likelihood of execution and settlement, volume, nature, and any other consideration relevant to the execution of the order.

**Art. 21.** The broker shall establish rules, procedures, and internal controls on the execution of orders, in order to:

I – allow intermediaries to obtain the best conditions available on the market for the execution of their customers' orders;

II – enable, at any time, the link between the order transmitted, the respective offer and the business carried out; and

III – ensure that customers are informed about the different markets on which the securities subject to the order may be traded.

**Paragraph 1.** The broker acting in an organized market shall establish rules, procedures, and internal controls pursuant to this article, containing at least:

I – types of orders accepted;

II – time for receiving orders;

III – form of transmission;

IV – validity period of orders;

V – refusal procedures;

VI – registration of orders;

VII – cancellation or change of orders;

VIII – form and criteria for fulfilling the orders received;

IX – form and criteria for distribution of the business carried out; and

X – factors that determine the choice of the market and the trading system for the execution of the order when they are not indicated by the customer.

**Paragraph 2.** In case of competition of orders, the priority for execution shall be determined by the chronological criterion.



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CVM RESOLUTION No. 35, OF MAY 26, 2021 [www.cvm.gov.br](http://www.cvm.gov.br)

Paragraph 3. In case of concurrent orders given simultaneously by customers other than related persons and by persons linked to the broker, orders from customers other than persons linked to the broker shall have priority.

Paragraph 4. The rules pursuant to the **introductory paragraph** and its amendments shall be previously informed to customers and be available on the broker's page on the world wide web, in the applications and other interfaces offered to its customers, in an easily accessible place.

Art. 22. The broker shall file with the market management entity in which it is authorized to operate and with the self-regulatory entity the rules pursuant to art. 21, as well as any changes to such rules, prior to entry into force, in the form and within the deadlines established by these entities.

Sole Paragraph. Brokers operating in an unorganized over-the-counter market shall keep at their headquarters at the disposal of the CVM the rules pursuant to the **introductory paragraph** of art. 21

### Section III – Identification of the Principals

Art. 23. The broker shall identify the final principal in all:

I – orders that transmit or transfer;

II – offers that place; and

III – operations that perform or record.

Paragraph 1. Clearing and settlement entities may only carry out the clearing and settlement of operations whose final principal is registered in their system.

Paragraph 2. The broker shall identify the final principal of the business controlled through his operating desk within a maximum period of thirty (30) minutes after the registration of the business.

Paragraph 3. CVM may authorize the organized market management entity to establish longer deadlines for the identification of final principals when the operational characteristics justify it.

Paragraph 4. The final principal does not need to be identified in operations of pulverized order of sale of shares, as defined in a specific rule, and in other operations previously authorized by CVM.

Art. 24. The re-specification of business is prohibited, except in the cases expressly provided for in this article.



## SECURITIES AND EXCHANGE COMMISSION OF BRAZIL, CVM

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CVM RESOLUTION No. 35, OF MAY 26, 2021 [www.cvm.gov.br](http://www.cvm.gov.br)

Paragraph 1. The portfolio manager, duly authorized under art. 23 of Law No. 6,385, of December 7, 1976, may re-specify the principal in operations carried out exclusively for the accounts of the portfolios and investment funds managed by him, previously registered with the broker.

Paragraph 2. The broker and the non-resident portfolio manager may re-specify operations exclusively for the accounts of their own portfolio, their customers or funds managed by them.

Paragraph 3. The broker may re-specify operations in which an operational error has occurred, provided that it is duly justified and documented, under the terms of the rules issued by the organized market management entity.

### CHAPTER VI – PERSONS LINKED TO THE BROKER

Art. 25. Persons linked to the broker may only trade securities for their own account, directly or indirectly, through the broker to which they are linked.

Paragraph 1 The provisions of the **introductory paragraph** of this article do not apply:

I – financial institutions and entities treated as such;

II – persons linked to the broker, in relation to operations in an organized market in which the broker is not a person authorized to operate;

III – persons linked to the broker, in relation to transactions in which the broker does not participate in the distribution of publicly offered securities; and

IV – negotiations brokered by an institution contractually obliged to provide information to the broker on transactions carried out by related persons, and that holds express authorization from the related persons for such provision of information.

Paragraph 2. The transactions of related persons, for the purposes of this Resolution, are equivalent to those carried out for the broker's own portfolio.

Paragraph 3. Persons linked to more than one broker shall choose only one of the intermediaries with whom they maintain a relationship to exclusively negotiate securities on their behalf.

### CHAPTER VII – TRANSFER OF OPERATIONS

Art. 26. Organized market management entities shall establish rules, procedures, and internal controls for the transfer of operations carried out in their trading environments or systems.



## SECURITIES AND EXCHANGE COMMISSION OF BRAZIL, CVM

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CVM RESOLUTION No. 35, OF MAY 26, 2021

Paragraph 1. The rules, procedures, and internal controls pursuant to the **introductory paragraph** shall provide, at least:

I – the minimum content of the contract that establishes the transfer link between the intermediaries; and

II – the form of identification and registration of operations resulting from transfers.

Paragraph 2. When the transfer of operations is motivated by the customer's decision, it shall be registered in both intermediaries involved in the operation.

### CHAPTER VIII – PAYMENT AND RECEIPT OF AMOUNTS

Art. 27. The payment, in any capacity, of amounts to the brokers by customers shall be made by bank transfer, payment arrangement authorized by the Central Bank of Brazil or check held by the customer.

Art. 28. The payment, in any capacity, of amounts to the brokers by customers shall be made by bank transfer, payment arrangement authorized by the Central Bank of Brazil or check held by the customer.

Paragraph 1 The bank transfers pursuant to the **introductory paragraph** shall be made to the current account held by the customer previously identified in its registration.

Paragraph 2. Transfers to non-resident investors can be made to the current account of the custodian hired by the customer who shall also be identified in the register with the broker.

Art. 29. In relation to all payments made, the broker shall keep a file with:

I – the number of the check, in cases of payment by check;

II – the number of the electronic transfer document, in cases of bank transfer;

III – the value; and

IV – the drawee bank, with indication of the branch and current account.

Sole Paragraph. Checks used for transfers of funds between brokers and customers shall contain stripes with the words: *"exclusively for credit to the account of the original beneficiary"*.



## SECURITIES AND EXCHANGE COMMISSION OF BRAZIL, CVM

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CVM RESOLUTION No. 35, OF MAY 26, 2021

### CHAPTER IX – FINANCING FOR PURCHASE AND LOAN OF SHARES

Art. 30. The activities of granting financing for the purchase of shares and loan of shares for sale can only be carried out if the provisions of Normative Annex I of this Resolution are complied with.

### CHAPTER X – RULES OF CONDUCT

#### Section I – Duties of the Brokers

Art. 31. The broker shall perform its activities with good faith, diligence, and loyalty towards its customers.

Sole Paragraph. The broker is forbidden to privilege its own interests or those of persons linked to it to the detriment of the interests of customers.

Art. 32. The broker shall establish rules, procedures, and internal controls that are able to prevent the interests of customers from being harmed as a result of conflicts of interest.

Sole Paragraph. The rules, procedures, and internal controls pursuant to this **introductory paragraph** shall:

I – identify any conflicts of interest that may arise between the broker, or persons related to it, and its customers, or between customers;

II – allow, in the event of a conflict of interest, the broker to carry out the operation, on behalf of the customer, independently; and

III – establish mechanisms to inform the customer that the broker and the persons linked to it are acting in conflict of interest and the sources of that conflict, before carrying out an operation.

Art. 33. The broker shall:

I – to ensure the integrity and regular functioning of the market, including the selection of customers and the requirement of guarantees;

II – maintain control of customer positions, with periodic reconciliation between:

a) executed orders;

b) positions in the database that generate the statements and statements of movement provided to its customers; and

c) positions provided by clearing and settlement entities, where applicable.





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III – maintain a current account system to record all financial transactions of its customers;

IV – inform CVM whenever it verifies the occurrence or indications of violation of the legislation that it is incumbent upon CVM to inspect, within a maximum period of five (5) business days of the occurrence or identification, without prejudice to the communication to the managing entities of the organized markets in which it is authorized to operate or to the self-regulatory entity, keeping a record of the evidence found;

V – provide its customers with information about the products offered and their risks;

VI – provide its customers with information regarding the loss compensation mechanisms established by the organized market management entities, if applicable;

VII – differentiate in the brokerage notes, invoices, and launch notices sent to customers, the amounts resulting from brokerage from those related to other services provided by the broker and the fees and emoluments charged by the organized market management entities or by other third parties, if applicable;

VIII – provide its customers with information and documents related to the business carried out in the form and deadlines established in its internal rules;

IX – continuously monitor the operations brokered by it, in order to identify those that aim to provide undue advantage or profit to one of the parties, or cause damage to third parties, according to specific regulation;

X – ensure the implementation of the continuity plan and information security policy in accordance with Chapters XI and XII;

XI – maintain control of the identification of people who have access to their digital communication forums; and

XII – put on its page on the worldwide web, applications, or other forms of interaction with the customer a shortcut to CVM's page on the worldwide web and prominent notice, with the following content: *"Any transmission of order by digital means is subject to interruptions or delays, and may prevent or impair the sending of orders or the receipt of updated information"*.

Paragraph 1. The information technology structure shall be compatible with the volume, nature, and complexity of its operations, in order to preserve customer service even in periods of peak demand.

Paragraph 2. The provisions of paragraph 1 also apply to electronic trading systems with direct access to the market and other interfaces made available to customers.



## SECURITIES AND EXCHANGE COMMISSION OF BRAZIL, CVM

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CVM RESOLUTION No. 35, OF MAY 26, 2021

Paragraph 3. The technological systems used by the broker shall be:

I – auditable; and

II – submitted to tests at appropriate intervals, established in the policy pursuant to art. 41, to verify its operation in stress scenarios.

Art. 34. Brokers should contact the holder of the securities to confirm the existence of the order given by proxy that may constitute an irregularity, in particular when dealing with:

I – first operation;

II – minor or elderly;

III – estate;

IV – customer domiciled in another place;

V – large unusual order;

VI – company under judicial reorganization or bankruptcy process;

VII – contractual amendment with the entry of a new partner or shareholder;

VIII – delegation of powers to third parties by the grantee; and

IX – power of attorney drawn up outside the city in which the customer is domiciled.

Art. 35. The broker shall disclose, on its page on the worldwide web, before the beginning of its operations, the internal rules elaborated for the fulfillment of this Section and its amendments, except with regard to the plans provided for in articles 38 and 45.

Art. 36. Brokers shall maintain the internal rules adopted for compliance with the provisions of this Section and Chapter III and their amendments at the disposal of the organized market management entity in which they are authorized to operate and the self-regulatory entity.

Paragraph 1. It is up to the organized market management entity in which the broker is authorized to operate and the self-regulatory entity to define the minimum content of the internal rules adopted by each broker and to supervise them.

Paragraph 2. Brokers operating in an unorganized over-the-counter market shall maintain at their headquarters at the disposal of CVM the rules pursuant to this Section.



## SECURITIES AND EXCHANGE COMMISSION OF BRAZIL, CVM

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CVM RESOLUTION No. 35, OF MAY 26, 2021

### Section II – Prohibition

Art. 37. The Broker is prohibited from:

- I – use current accounts with more than two (2) holders;
- II – accept or execute orders from customers who are not previously registered or who have outdated registrations;
- III – allow the exercise of the activities of a member of the securities distribution system by persons not authorized by CVM for this purpose;
- IV – carry out the activity of portfolio management without the corresponding authorization of CVM;
- V – allow members of the securities distribution system that are under its responsibility to carry out activities for which they are not expressly authorized by CVM;
- VI – charge customers for brokerage or any other commission related to trading in securities during the period of its public distribution, with the exception of trading on organized markets with securities already traded on such market and provided that the customer is duly informed about the ongoing public distribution;
- VII – maintain an employment relationship or service agreement with analysts, autonomous agents, consultants, or securities managers who are not expressly authorized by CVM for the performance of these activities, and shall promote the end of the employment or contractual relationship as soon as it becomes aware of the disqualification of said persons;
- VIII – execute transfers of funds between current accounts of customers with different ownership, except for the exceptions provided for by law or in the rules issued by CVM and the organized market management entity in which the broker is authorized to operate;
- IX – carry out financial transactions or transfers of custody without being authorized by the customer, except for the exceptions provided for by law or in the rules issued by the CVM and by the organized market management entity in which the broker is authorized to operate;
- X – grant to customers financing and loans for operations in the stock market under conditions different from those provided for in Normative Annex I of this Resolution;
- XI – allow the presence of customers, in any case, in the environment of the trading desk; and
- XII – apply, in the constitution and operation of its portfolio, customer resources.



## SECURITIES AND EXCHANGE COMMISSION OF BRAZIL, CVM

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CVM RESOLUTION No. 35, OF MAY 26, 2021 [www.cvm.gov.br](http://www.cvm.gov.br)

Sole Paragraph. The prohibition of acceptance and execution of an order from customers who have an outdated registration does not apply in cases of requests for closure of an account, or the sale or redemption of securities.

### CHAPTER XI – BUSINESS CONTINUITY PLAN

#### Section I – General Rules

Art. 38. The broker shall implement and maintain:

I – business impact analysis process to:

a) identify and classify critical business processes; and

b) evaluate the potential effects of the interruption of critical business processes on its activities;

and

II – business continuity plans that establish procedures and estimated deadlines for restarting and recovering activities in case of interruption of critical business processes, as well as necessary internal and external communication actions and the cases in which communication should extend to customers and organized market management entities in which they are authorized to operate.

Paragraph 1. In addition to other processes considered critical by the broker under item I, business continuity plans shall cover at least the following processes, if applicable to the broker:

I – receipt and execution of orders, in order to preserve customer service;

II – settlement with the entities managing organized markets;

III – liquidation of its customers; and

IV – reconciliation and updating of the positions of its customers.

Paragraph 2. The broker shall:

I – review and carry out tests to monitor the efficiency and effectiveness of its business continuity plans at appropriate intervals, not exceeding one year; and

II – review and change its business continuity plans whenever necessary, considering, for example, the occurrence of a relevant change in the location and structure of its operations, or in the activities performed.



## **SECURITIES AND EXCHANGE COMMISSION OF BRAZIL, CVM**

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CVM RESOLUTION No. 35, OF MAY 26, 2021

Paragraph 3. The result of the test and review pursuant to paragraph 2 together with the indication of the necessary improvement points shall be reported to the management bodies.

Paragraph. 4 Any event that has caused the activation of a business continuity plan shall be reported to the management bodies and the Superintendence of Relations with the Market and Intermediaries (SMI) by the broker in a timely manner.

Paragraph 5. The communication pursuant to paragraph 4 shall include:

- I – causes of the activation of the business continuity plan, indicating the critical processes affected;
- II – measures already adopted by the broker or those it intends to adopt;
- III – time consumed in the solution of the event or expected deadline for this to occur; and
- IV – any other information considered important.

### **Section II – Critical Systems**

Art. 39. Critical systems are all computers, networks, and electronic and technological systems that are linked to critical business processes and that directly execute or indirectly provide support to functionalities whose malfunction or unavailability can have a significant impact on the broker's business.

Art. 40. The broker shall:

- I – develop and implement policies and practices to ensure the integrity, safety, and availability of its critical systems; and
- II – establish guidelines for assessing the relevance of incidents.

Paragraph 1. The broker shall, in a timely manner, notify SMI and the management bodies of the occurrence of relevant incidents that affect its critical systems and have a significant impact on customers.

Paragraph 2. The communication pursuant to paragraph 1 shall include:

- I – the description of the incident, indicating how customers were affected;
- II – evaluation of the number of potentially affected customers;
- III – measures already adopted by the broker or those it intends to adopt;
- IV – time consumed in the solution of the event or expected deadline for this to occur;



## SECURITIES AND EXCHANGE COMMISSION OF BRAZIL, CVM

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[www.cvm.gov.br](http://www.cvm.gov.br)

CVM RESOLUTION No. 35, OF MAY 26, 2021

and

V – any other information considered important.

### CHAPTER XII – INFORMATION SECURITY

#### Section I – Scope

Art. 41. The broker shall develop an information security policy covering:

I – the treatment and control of customer data;

II – cybersecurity;

III – the guidelines for assessing the relevance of security incidents, including cybersecurity, and on the situations in which affected customers should be reported; and

IV – the contracting of relevant services provided by third parties.

Paragraph 1. In case of financial conglomerates, the adoption of a single policy pursuant to the **introductory paragraph** is allowed, provided that institutions that do not constitute their own policy formalize this option at a meeting of their board of directors or their board of directors.

Paragraph 2. The information security policy shall:

I – be compatible with:

a) the size, risk profile and business model of the broker;

b) the nature of the operations and the complexity of the broker's products, services, activities, and processes; and

c) the sensitivity of the data and information under the responsibility of the broker;

II – be applicable to employees, agents, and service providers; and

III – provide for the periodicity with which employees, agents and service providers shall be trained regarding the procedures provided for in articles 42 and 43 and regarding the cybersecurity program.

Paragraph 3. The broker may:

I – restrict training regarding the procedures provided for in articles 42 and 43 only to employees, agents and service providers who have access to sensitive data and information; and



## **SECURITIES AND EXCHANGE COMMISSION OF BRAZIL, CVM**

Rua Sete de Setembro, 111/2-5th and 23-34th Floors, Centro, Rio de Janeiro/RJ - CEP: 20050-901 - Brazil - Tel.: (21) 3554-8686 Rua Cincinato Braga, 340/2, 3 and 4th Floors, Bela Vista, São Paulo/ SP - CEP: 01333-010 - Brazil - Tel.: (11) 2146-2000  
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[www.cvm.gov.br](http://www.cvm.gov.br)

CVM RESOLUTION No. 35, OF MAY 26, 2021

II – fail to apply training on the procedures provided for in articles 42 and 43 to service providers who have access to sensitive data and information, if it concludes that the provider of service has adequate information security and training procedures compatible with its policies.

Paragraph 4 The cybersecurity incident that affects critical business processes, or sensitive data or information, and has a significant impact on customers shall be considered relevant;

### **Section II – The Treatment and Control of Customer Data;**

Art. 42. The broker shall develop and implement adequate rules, procedures, and internal controls to ensure the confidentiality, authenticity, integrity, and availability of sensitive data and information, including:

I – the guidelines for the identification and classification of sensitive data and information; and

II – the procedures adopted to ensure the registration of the occurrence of relevant incidents, their causes, and impacts.

Sole Paragraph. The broker shall consider as sensitive, at least, the registration data and other information that allow the identification of customers, their operations and custody positions.

Art. 43. The rules, procedures, and internal controls pursuant to art. 42 shall:

I – the protection of registration information and operations carried out by the customer against unauthorized access or destruction, leakage, or tampering;

II – the granting and administration of individualized access to systems, databases, and networks;  
and

III – data segregation and access control, in order to prevent the risk of unauthorized access, tampering or misuse of information.

Art. 44. The broker shall maintain on its page on the world wide web guidelines for its customers on its main information security practices, addressing at least:

I – practices adopted by the broker regarding:

a) the logical access controls applied to customers; and

b) the protection of the confidentiality of the registration data, operations, and custody position of its customers; and

II – care to be taken by customers with cybersecurity in accessing the systems provided by the



## SECURITIES AND EXCHANGE COMMISSION OF BRAZIL, CVM

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CVM RESOLUTION No. 35, OF MAY 26, 2021 [www.cvm.gov.br](http://www.cvm.gov.br)

broker.

Sole Paragraph. The disclosure pursuant to the **introductory paragraph** shall be made in summary form, in clear and accessible language, and with a level of detail compatible with the sensitivity of the information.

### Section III – Cybersecurity

Art. 45. The policy pursuant to article 41, item II, shall include a cybersecurity program, covering at least:

- I – the identification and assessment of internal and external cyber risks to which the broker is exposed;
- II – the measures that shall be taken to reduce the institution's vulnerability against cyber-attacks;
- III – procedures and internal controls adopted to:
  - a) verify the implementation, application and effectiveness of the measures adopted in the form of item II; and
  - b) perform continuous monitoring and detection of cyberattacks in a timely manner;
- IV – measures adopted for the treatment of cyber incidents and recovery of data and systems;
- V – periodicity with which the cybersecurity program shall be tested and revised, in order to:
  - a) assess the institution's vulnerability to cyber-attacks and identify new cyber risks; and
  - b) verify the need to improve existing rules, procedures, and internal controls; and
- VI – forms of participation in initiatives aimed at sharing information on relevant threats and vulnerabilities.

Art. 46. The broker shall report in a timely manner to its management bodies and to SMI the occurrence of relevant cybersecurity incidents.

Paragraph 1 The communication pursuant to the **introductory paragraph** shall include:

- I – the description of the incident, including indication of the data or sensitive information affected;
- II – evaluation of the number of potentially affected customers;
- III – measures already adopted by the broker or those it intends to adopt;





## **SECURITIES AND EXCHANGE COMMISSION OF BRAZIL, CVM**

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CVM RESOLUTION No. 35, OF MAY 26, 2021 [www.cvm.gov.br](http://www.cvm.gov.br)

IV – time consumed in the solution of the event or expected deadline for this to occur;

and

V – any other information considered important.

Paragraph 2. The broker shall prepare and send to SMI a final report containing at least:

I – description of the incident and the measures taken, informing the impact generated by the incident on the operation of the institution and its reflections on customer data; and

II – the improvements of controls identified with the objective of preventing, monitoring, and detecting the occurrence of cybersecurity incidents, if applicable.

Paragraph 3. The broker shall also keep at the disposal of SMI a copy of:

I – communications made with its customers, if any; and

II – the internal investigation reports produced by the broker or third parties on the analysis of the incident and the conclusions of the examinations carried out.

### **Section IV – Contracting of Relevant Services Provided by Third Parties.**

Art. 47. In case of services provided by third parties, the broker shall identify and list its relevant service providers, evaluate the controls performed by these providers and make sure that the service contracts ensure:

I – compliance with the information maintenance requirements provided for in art. 48;

II – the institution's access to the data and information to be processed or stored by the service provider; and

III – the confidentiality, integrity, availability and retrieval of data and information processed or stored by the service provider.

Paragraph 1. The hiring of third parties does not exclude the broker's responsibility for the registration and filing of the documents and information mentioned in art. 48.

Paragraph 2. The broker shall ensure that the contracts related to the provision of outsourced services do not limit or prohibit the access of the CVM and the self-regulatory entity:

I – the content of the contracts; and

II – documents, data, and information processed or stored by service providers.



## SECURITIES AND EXCHANGE COMMISSION OF BRAZIL, CVM

Rua Sete de Setembro, 111/2-5th and 23-34th Floors, Centro, Rio de Janeiro/RJ - CEP: 20050-901 - Brazil - Tel.: (21) 3554-8686 Rua  
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SCN Q.02 - Bl. A Ed. Corporate Financial Center, S.404/4th Floor, Brasília/DF - CEP: 70712-900 - Brazil -Tel:(61) 3327-2030/2031  
[www.cvm.gov.br](http://www.cvm.gov.br)

CVM RESOLUTION No. 35, OF MAY 26, 2021

### CHAPTER XIII – FILE MAINTENANCE

Art. 48. The intermediaries shall maintain, for a minimum period of five (5) years, or for a longer period by express determination of the CVM, all documents and information required by this Resolution, as well as all internal and external correspondence, all work papers, reports and opinions related to the exercise of their functions, whether physical or electronic, as well as the entirety of the recordings pursuant to art. 14, the audit trails pursuant to art. 7 and item II of the sole paragraph of art. 13, and the records of the origins of the orders pursuant to item I of Paragraph 1 of art. 16.

Paragraph 1. The digitized images are admitted in replacement of the original documents, provided that the process is carried out in accordance with the law that provides for the preparation and archiving of public and private documents in electromagnetic media, and with the decree that establishes the technique and requirements for the digitization of these documents.

Paragraph 2. The source document may be discarded after its scanning, unless it presents material damage that impairs its readability.

### CHAPTER XII FINAL PROVISIONS

Art. 49. Serious infringement, for the purposes of the provisions of paragraph 3 of art. 11, of Law No. 6,385, of 1976, is considered to be the violation of the rules contained in articles 3 to 6; 10, 12 to 14, 20 to 24, 29, 31 to 34, 37, 38 to 46, and 48.

Art. 50. The following resolutions and instructions are hereby revoked:

I – CVM Resolution No. 105, of January 22, 1991;

II - CVM Instruction No. 51, of June 9, 1986;

III – CVM Instruction No. 333, of April 6, 2000;

IV – CVM Instruction No. 505, of September 27, 2011;

V – CVM Instruction No. 526, of September 21, 2012;

VI – CVM Instruction No. 581, of September 29, 2016;

VII – CVM Instruction No. 612, of August 21, 2019; and



## **SECURITIES AND EXCHANGE COMMISSION OF BRAZIL, CVM**

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CVM RESOLUTION No. 35, OF MAY 26, 2021

VIII – CVM Instruction No. 618, of January 28, 2020.

Art. 51. This Resolution will be in force on July 1<sup>st</sup>, 2021.

*Electronically signed by*

**Marcelo Barbosa  
Chairman**



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### NORMATIVE ANNEX I – FINANCING FOR PURCHASE AND LOAN OF SHARES

It establishes the rules and procedures for the granting of financing for the purchase and loan of shares by brokerage firms and securities distributors.

#### CHAPTER I – SCOPE AND PURPOSE

Art. 1. This annex to CVM Resolution No. 35 ("Annex I") establishes rules and procedures for granting financing for the purchase and loan of shares by brokerage firms and securities distributors.

#### CHAPTER II – GENERAL PROVISIONS

Art. 2 Only brokerage firms and securities distributors may:

I – grant financing for the purchase of shares; and

II – stock lending.

Sole Paragraph. It is forbidden to grant financing and loan shares to:

I – its administrators, employees or agents, members of the fiscal council or any other body with technical or advisory functions created by the bylaws or by the articles of association, as well as their respective spouses or partners;

II – individuals or legal entities that directly or indirectly participate in its capital with more than 10% (ten percent);

III – relatives, up to 2nd degree, of the natural persons pursuant to items I and II;

IV – collective accounts, including investment clubs, whose majority of shares belong to any of the persons pursuant to this article;

V – legal entities whose capital participates directly or indirectly with more than 10% (ten percent) of the persons mentioned in items I, II and III; and

VI – members of the securities distribution system.

Art. 3 Each chamber or provider of clearing and settlement services, using as its main parameter the liquidity of the shares, shall specify, through relations disclosed periodically, which may be the object of the operations and which may be part of the guarantees pursuant to this Annex I.



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CVM RESOLUTION No. 31, OF MAY 19, 2021

### **CHAPTER III – FINANCING FOR THE PURCHASE OF SHARES**

#### **Section I – Definition and Scope**

Art. 4. It is considered financing for the purchase of shares granted by a brokerage firm or distributor of securities to its customers, for the acquisition, in the spot market, of shares issued by publicly-held companies and admitted to trading on the stock exchange.

Sole Paragraph. The financing pursuant to this article shall be made through the own resources of the securities brokerage or distribution company, or obtained by such companies from commercial banks, investment banks or credit, financing, and investment companies.

Art. 5. The financing and the corresponding acquisition of shares can only be effected by the same brokerage firm or securities distributor.

#### **Section II – Loan Agreement**

Art. 6. The financing agreement shall mention:

I – the term of its validity, if for a fixed period;

II – the right of the securities broker or distributor to sell, including out-of-court, the securities that constitute the guarantee of the operation under the terms of art. 7 of this Annex I, when the customer fails to comply with the call for reinforcement of the margin of guarantee, within the period established by art. 13 of this Annex I, or does not comply with the main obligation of the contract; and

III – the fees and charges charged by the securities brokerage or distribution company.

Sole Paragraph. The financing agreement for an indefinite period shall contain the following provisions:

I – the right of either party to terminate it, at any time, regardless of judicial notification, by written notice;

II – the period in which the borrower, if termination caused by the securities brokerage or distribution company, shall proceed to settle the outstanding balance of the transaction; and

III – the right of the securities brokerage firm or distributor to sell, including out-of-court, the securities that constitute the guarantee of the operation under the terms of art. 7 of this Annex I, whenever, when the contract is terminated at the initiative of the brokerage firm or distributor, the customer does not settle the balance of the operation within the period established in the agreement.



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CVM RESOLUTION No. 31, OF MAY 19, 2021

### **Section III – Financing Guarantee**

Art. 7 In guarantee of the financing, the Borrower shall guarantee to the securities brokerage or distribution company the acquired shares, whose value, plus other guarantees, represents at least 140% (one hundred and forty percent) of the financing amount.

Sole Paragraph. To the shares acquired, other securities or fixed income securities, public or private, all owned by the Borrower, valued under the terms of articles 10 and 11 of this Annex I, shall be added as collateral for the transaction.

Art. 8 Until the settlement of the transaction, the securities pledged to the securities brokerage or distribution company shall be held in custody in these companies or in other institutions authorized by CVM to provide this service.

Art. 9 The securities brokerage or distribution company may, among the securities mentioned in articles 3 and 7 of this Annex I, select those that shall be part of the guarantee of the operation.

Art. 10. Pledged shares shall be valued, on a daily basis, at the average price recorded on the stock exchange on which they were most traded on the previous day, or on the last day on which they were traded.

Art. 11. Fixed income securities and secured debentures shall be valued daily at their market value.

Art. 12. the Borrower may, by agreement with the securities brokerage or distributor, replace the pledged securities, provided that the total value of the guarantee does not decrease, on the date of replacement.

Art. 13. When the securities guaranteeing the financing are devalued, such that the guarantee no longer represents at least 140% (one hundred and forty per cent) of the amount of the financing, the securities brokerage or distribution company is obliged to demand, and the financed to meet within a maximum period of two (2) business days, counted from the day of the occurrence of the devaluation, reinforcement of guarantee, under penalty of immediate termination of the financing agreement.

Art. 14. Securities brokerage firms or distributors may use their credit rights due to financing transactions as collateral with the financial institutions that have provided them with the necessary resources for the transactions.



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CVM RESOLUTION No. 31, OF MAY 19, 2021

### **Section IV – Special Current Account**

Art. 15. For the purpose of registering the financing granted, the securities brokerage or distribution company shall open a special current account in the name of each financed party, registering all the effects of the operation.

Art. 16. The current account pursuant to this Section shall be accompanied by an auxiliary control record, which shall contain, perfectly identified, all the conditions and characteristics of each financing operation, such as:

I - balance owing;

II – characteristics and quantity of shares acquired and securities pledged; and

III – value of guarantees, as assessed on the date of each transaction.

Sole Paragraph. The data contained in the auxiliary record, plus the entries made in the current account provided for in art. 15, shall allow, at any time, the immediate verification of compliance with the provisions of this Annex I.

Art. 17. The use of any other current account that the customer maintains with the securities brokerage or distribution company, including the one that serves to register stock loan transactions for sale, for the registration of the effects of financing transactions for the purchase of shares, is prohibited.

### **Section V – Control and Information System**

Art. 18. For the purposes of this Annex I, securities brokerage and distribution companies shall maintain a control system that allows the identification, at any time, of at least the following data:

I – total amounts financed by them (ongoing financing);

II – characteristics, quantity, and updated market value of the financed actions; and

III – characteristics, quantity, and updated market value of the securities included in the guarantee of the financing granted.

Art. 19. The monthly balance sheets and half-yearly balance sheets of brokerage firms and securities distributors shall contain, under a separate heading, the total value of the financing granted and the total value of the securities included in the guarantee.



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CVM RESOLUTION No. 31, OF MAY 19, 2021

### **CHAPTER IV – SHARE LOANS FOR SALE**

#### **Section I – Definition and Scope**

Art. 20. The loan of shares for sale is considered to be that carried out by a securities brokerage or distributor, for the purpose of shares issued by publicly-held companies and admitted to trading on stock exchanges, which shall be intended exclusively for sale on the spot market, on behalf of the borrower.

Paragraph 1. The loaned shares may only be sold through the same brokerage firm or securities distributor that granted the loan.

Paragraph 2. The loan for sale may only have as its object actions:

I – held in custody at the securities brokerage or distribution company, or at other institutions authorized by the CVM to provide custody services, and whose owners have contractually authorized their use in operations of this nature, subject to the provisions of art. 24 of this Annex I; and

II – owned by the securities brokerage or distribution company.

#### **Section II – Loan Agreement**

Art. 21. The loan agreement shall mention, as a minimum:

I – the term of its validity, if for a fixed period;

II – the borrower's right to settle the loan by delivering shares in the same form, kind, class, and company, regardless of the order number of the certificates sold by him;

III – the right of the securities broker or distributor to sell, including out-of-court, the securities that constitute the guarantee of the operation under the terms of art. 7 of this Annex I, when the customer fails to comply with the call for reinforcement of the margin of guarantee, within the period established by art. 13 of this Annex I, or does not comply with the main obligation of the contract; and

IV – the fees and charges charged by the securities brokerage or distribution company.

Sole Paragraph. The loan agreement for an indefinite period shall contain the following provisions:

I – the right of either party to terminate it, at any time, regardless of judicial notification, by written notice;

II – the period in which the Borrower, in the event of termination caused by the securities brokerage or distribution company, shall proceed to settle the outstanding balance of the transaction; and





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CVM RESOLUTION No. 31, OF MAY 19, 2021

III – the right of the securities brokerage firm or distributor to sell, including out-of-court, the securities that constitute the guarantee of the operation under the terms of art. 22 of this Annex I, whenever, when the contract is terminated at the initiative of the brokerage firm or distributor, the customer does not settle the balance of the operation within the period established in the contract.

### **Section III – Loan Guarantee**

Art. 22. As a guarantee of the loan, the borrower shall deliver to the securities brokerage or distribution company, in addition to the proceeds of the sale mentioned in art. 20 of this Annex I, public or private fixed income securities or securities owned by it, so that the total guarantee represents an amount equivalent to at least 140% (one hundred and forty percent) of the loaned shares, as valued under the terms of articles 10 and 11 of this Annex I.

Paragraph 1. Until the settlement of the loan transaction, the securities pledged to the securities brokerage or distribution company shall be held in custody in these companies or in other institutions authorized by CVM to provide this service.

Paragraph 2 The eventual application of the sale proceeds can only be made in fixed income securities, and the destination of the income obtained shall be subject to contractual stipulation.

Art. 23. The provisions contained in articles 9 to 12 of this Annex I shall apply to the loan guarantees.

Art. 24. When, in the course of the loan, the total value of the guarantees, either by valuation of the shares loaned or by devaluation of the securities given as collateral, is reduced so that it represents less than 140% (one hundred and forty percent) of the outstanding balance, the securities brokerage firm or distributor is obliged to demand, and the borrower to meet, within a maximum period of two (2) business days from the day of the occurrence of the oscillation of the value, reinforcement of the guarantee, under penalty of immediate termination of the loan agreement.

### **Section IV – Special Current Account**

Art. 25. For the purpose of registering the loans granted, the securities brokerage or distribution company shall open a special current account in the name of each borrower, registering all the effects of the operation.



## **SECURITIES AND EXCHANGE COMMISSION OF BRAZIL, CVM**

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CVM RESOLUTION No. 31, OF MAY 19, 2021

Art. 26. The current account pursuant to this Section shall be accompanied by an auxiliary control record, which shall contain, perfectly identified, all the conditions and characteristics of each loan operation, such as:

- I – breakdown and evaluation of the actions borrowed;
- II – breakdown of securities pledged as collateral; and
- III – value of collateral, as valued on the date of each transaction.

Sole Paragraph. The data contained in the auxiliary record, plus the entries made in the current account provided for in art. 25, shall allow, at any time, the immediate verification of compliance with the provisions of this Annex I.

Art. 27. The use of any other current account that the customer maintains with the securities brokerage or distribution company, including the one that serves to register stock loan transactions for sale, for the registration of the effects of financing transactions for the purchase of shares, is prohibited.

### **Section V – Control and Information System**

Art. 28. For the purposes of this Annex I, securities brokerage and distribution companies shall maintain a control system that allows the identification, at any time, of at least the following data:

- I – characteristics, quantity, and updated market value of the loaned shares and sold by them (loans in progress); and
- II – characteristics, quantity, and updated market value of the securities included in the guarantee of the financing granted.

Art. 29. The monthly balance sheets and half-yearly balance sheets of brokerage firms and securities distributors shall contain, under a separate heading, the total value of the financing granted and the total value of the securities included in the guarantee.

### **Section VI – Relationship between the Owners of the Shares Subject to the Transaction and the Companies Brokers and Distributors**

Art. 30. Securities brokers and distributors shall identify, among the shares held by their customers, those that are used in loan operations for sale.



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CVM RESOLUTION No. 31, OF MAY 19, 2021

Art. 31. The securities brokerage and distribution companies are responsible, before the original owners of the shares they lend, for the replacement of these shares, and no link is established between them and the borrowers.

Art. 32. The contract pursuant to art. 20, Paragraph 2, item I, of this Annex I shall contain:

I – whether the loan is for a fixed term or indefinite;

II – that the return of the shares used by the brokerage firm or distributor of securities in carrying out the loan transaction is not necessarily made through the same certificates;

III – in the case of a contract for an indefinite period, in how many days, from the request of the owner customer, the securities brokerage or distribution company shall return the shares subject to loan;

IV – the treatment to be accorded to the rights attaching to the shares used in the loan operation;  
and

V – the form of remuneration for the loan of shares.

### CHAPTER V – OPERATIONAL CAP

Art. 33. The total volume of operations regulated by this Annex I carried out by the securities brokerage or distribution company may not exceed five (5) times the value of the respective shareholders' equity, calculated from the balance sheet or trial balance data for the immediately preceding month.

Paragraph 1. The total volume of operations is considered to be the sum of the volume of financing granted for the purchase of shares and the updated market value of the shares loaned for sale, calculated in accordance with the provisions of Paragraph 2.

Paragraph 2. The operational cap provided for in this article shall be calculated daily by the securities brokerage or distribution company, considering as the updated market value of the shares its last average price on the stock exchange in which they have been most traded.

### CHAPTER VI – FINAL PROVISIONS

Art. 34. In accordance with market conditions, CVM may determine the temporary suspension of the operations provided for in this Annex I.



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CVM RESOLUTION No. 31, OF MAY 19, 2021

Sole Paragraph. Subject to the minimum guarantee provided for in this Annex I, stock exchanges and securities brokerage and distribution companies may establish differentiated guarantee margins, in view of the degree of liquidity and volatility of the shares subject to margin account operations.

Art. 35. The stock exchanges are responsible for establishing the complementary rules that are necessary for the performance, by brokerage firms and securities distributors, of the operations regulated in this Annex I, and shall include in their inspection plans the verification of all the rules and procedures established therein.