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In order to confirme if this translated version corresponds to the lastest version, please also consult the original version in Portuguese.

Translation Date: May 13th, 2022

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CVM RESOLUTION NO. 50, OF AUGUST 31, 2021

Provides for the anti-money laundering, countering the financing of terrorism and countering proliferation weapons of mass destruction financing - AML/CFT/CPF within the securities market and revokes CVM Instruction No. 617, of December 5, 2019 and the Explanatory Note to CVM Instruction No. 617, of December 5, 2019.

The **CHAIRMAN OF THE SECURITIES COMMISSION ("COMISSÃO DE VALORES MOBILIÁRIOS", CVM)** makes it public that the Board of Commissioners, at a meeting held on August 25, 2021, in view of Laws 6,385, of December 7, 1976, 9,613 of March 3, 1998, 13,260, of March 16, 2016, and 13,810, of March 8, 2019, as well as Decree No. 5.640, of December 26, 2005, **APPROVED** the following Resolution:

CHAPTER I – SCOPE, DEFINITIONS AND PURPOSE

Art. 1 This Resolution disciplines the following:

I –the establishment of the policy anti-money laundering, countering the financing of terrorism and countering proliferation weapons of mass destruction financing (AML/CFT/CPF), of internal risk assessment, and internal rules, procedures and controls;

II – the identification and customer records, as well as ongoing due diligence in order to collect supplementary information and, in particular, to identify their respective beneficial owners;

III – the monitoring, analysis and report of transactions and situations mentioned in this Resolution;

IV – the record keeping of transactions and file maintenance; and

V – the execution, within the scope of the securities market:

a) of a set of measures aimed at the unavailability of goods, rights and values as a result of United Nations Security Council – UNSC resolutions; and

b) of requests for international legal cooperation arising from other jurisdictions in accordance with current national legislation, and other legal measures.

Art. 2 For the purposes of this Resolution, the following definitions are considered:

I – senior management: ultimate decision-making body or individuals who are members of the management, responsible for conducting its strategic affairs as set forth in the AML/CFT/CPF policy;

II - foreign central authority: body, entity or public agent of foreign jurisdiction responsible, according to its own legislation or international agreements, for centralizing the dialogue with other jurisdictions on the adoption of cooperation measures in matters of preventing and countering terrorism, financing terrorism and financing the proliferation of weapons of mass destruction;

III – beneficial owner: natural or legal person who jointly own, control or significantly influence, directly or indirectly, a customer on whose behalf a transaction is being conducted or benefits from it;

IV – customer records: registration, in physical or electronic media, of information and identification documents of customers with whom the institution maintains a direct relationship due to the provision of services in the securities market;

V – customer: investor who sustains a direct business relationship with the people mentioned in article 3 of this Resolution;

VI - active customer: the customer who in the last 12 (twelve) months has:

a) carried out transactions in its checking account or in its custody position;

b) performed transaction in the securities market; or

c) presented balance in its custody position;

VII – self-regulatory organization: entity responsible for the self-regulation of organized markets dealt with in the regulation that governs regulated securities markets;

VIII – financial market infrastructures: an entity that performs, cumulatively or separately, the processing and settlement of transactions, registration, and centralized deposit of securities;

IX – distinguished influence: the situation in which a natural person, whether the controlling shareholder or not, actually exerts influence on the decisions or is the owner of more than 25% (twenty-five percent) of the share capital of legal entities or the shareholders' equity of the investment funds and other entities in the cases referred to in subsections II to V of article 1 of Annex B, without prejudice to the use of customer records referred to in Annex C;

X – investor: natural or legal person, collective investment fund or vehicle or non-resident investor in whose name securities transactions are carried out;

XI – participant: legal entity, fund, or investment vehicle to which an organized market management entity has granted authorization to operate in the trading or transaction registration environments or systems of the markets it manages; and.

XII – trust or similar vehicle: any depersonalized entity constituted of assets held under fiduciary ownership and gathered in the equity, segregated from the owner's general equity.

Sole paragraph. For the purposes of this Resolution, their agents, attorneys, or legal representatives are equivalent to the beneficial owner.

Art. 3 Subject to the obligations set forth in this Resolution, within the scope of their duties, are:

I – natural or legal persons that provide services related to the distribution, custody, intermediation, or management of portfolios in the securities market on a permanent or occasional basis;

II – managing entities of organized markets and financial market infrastructure operating entities;

III - the other persons, referred to in specific regulations, who provide services in the securities market, including:

a) bookkeepers;

b) securities advisers;

c) risk rating agencies;

d) representatives of non-resident investors; and

e) securitization companies; and

IV – independent auditors within the securities market.

Paragraph 1 This Resolution does not apply to securities analysts and publicly-held companies, as long as they do not carry out other activities covered by subsections I to IV of this article.

Paragraph 2 The institutions that are members of the securities distribution system must submit the tied agents and other agents linked to them to their respective AML/CFT/CPF policy, as well as to the rules, procedures and internal controls established under the terms of this Resolution.

Paragraph 3 The provisions of Paragraph 2 do not exempt the responsibility of the institutions that are part of the securities distribution system to comply with the commands provided for in this Resolution.

CHAPTER II – AML/CFT/CPF POLICY, INTERNAL RISK ASSESSMENT, AND INTERNAL RULES, PROCEDURES AND CONTROLS

Section I – Policy Anti-Money Laundering, and to Counter the Financing of Terrorism and of the Proliferation of Weapons of Mass Destruction

Art. 4 The legal entities mentioned in subsections I to III of article 3 of this Resolution shall prepare and implement AML/CFT/CPF policy containing at least:

I – governance related to compliance with the obligations set forth in this Resolution, including a detailed description of how the senior management bodies are structured, when applicable, as well as the definition of roles and the assignment of responsibilities of the members of each hierarchical level of the institution in the regarding the elaboration and implementation of the risk-based approach process, with special emphasis on the routines foreseen in articles 17, 18, 20, 21, 22, and 23 of this Resolution;

II – the description of the methodology for treating and mitigating the identified risks, which must support the parameters established in the internal risk assessment, including the details of the guidelines:

a) that underpinned the risk-based approach adopted;

b) ongoing monitoring;

1. active customers, including verification procedures, gathering, validation, and updating of customer records information, as well as other applicable steps, following articles 11 and 17; and

2. employees and relevant service providers;

c) used to guide the due diligence at identifying the beneficial owner of the respective customer, pursuant to subsections (III and IX and the sole paragraph of article 2, articles 13 to 15 and subsection IV of article 17;

d) monitoring and possible detection of atypicalities, as per subsection III of article 17 and article 20, as well as the specification of other reinforced monitoring situations; and

e) about the criteria used to obtain the effectiveness indicators of the risk-based approach used for AML/CFT/CPF purposes;

III – definition of criteria and frequency for updating the records of active customers, as per article 11, observing the maximum interval of 5 (five) years;

IV – if applicable, the description of the routines that aim to guide the due diligence referred to in paragraphs 2 and 3 of article 1 of Annex C; and

V – actions involving the identification of counterparts to transactions carried out in the registration environments, when applicable.

Paragraph 1 The policy referred to in this article must be:

I – documented;

II – approved by senior management; and

III – kept up to date.

Paragraph 2 The persons mentioned in subsections I and III of article 3 that belong to the same financial conglomerate must establish mechanisms in the AML/CFT/CPF policy for the exchange of information between their internal control areas to ensure compliance with their obligations foreseen in this article, considering the relevance of the risk identified in each case, in their internal risk assessment.

Paragraph 3 The exchange of information referred to in paragraph 2 may include, whenever applicable and necessary, information on the customer's profile held by companies subject to specific regulations that lays out for the duty to verify the suitability of products, services and transactions to the customer's profile.

Paragraph 4 The AML/CFT/CPF policy drafted and implemented by the independent auditors must cover, at a minimum, the content defined in specific regulations issued by the Brazilian Federal Accounting Council ("Conselho Federal de Contabilidade", CFC).

Section II – Internal Risk Assessment

Art. 5 The persons mentioned in subsections I to III of article 3 of this Resolution must, within the scope of their duties, identify, analyze, understand and mitigate the risks of money laundering, terrorist financing and proliferation of weapons of mass destruction financing - ML/TF/PF, inherent to their activities performed in the securities market, adopting a risk-based approach to ensure that prevention and mitigation measures are proportionate to the identified risks and ensure compliance with this Resolution, and must:

I – list all the products offered, services provided, respective distribution channels, and trading and registration environments in which they operate, segmenting them minimally into low, medium, and high ML/TF/PF risk; and

II – classify the respective customers by degree of ML/TF/PF risk, minimally segmenting them into low, medium, and high risk.

Paragraph 1 For the purposes set out in this article, the following must be taken into consideration among other factors:

I - the type of customer and its legal nature, its activity, its geographic location, the products, services, transactions, and distribution channels used by it, as well as other risk parameters adopted in the relationship with its customers;

II – the relationship with other people foreseen in article 3, including considering the AML/CFT/CPF policies of such persons; and

III – the counterpart for transactions carried out on behalf of their customer, in the case of transactions carried out in registry environments.

Paragraph 2 The ML/TF/PF risks inherent in the following categories of customers must consider their respective peculiarities and characteristics, as well as be subject to specific treatment within the AML/CFT/CPF policy and the periodic process of internal risk assessment:

I – politically exposed persons, as well as their family members, close collaborators and legal entities in which they participate, pursuant to Annex A; and

II – non-profit organizations, according to the specific legislation.

Paragraph 3 The persons mentioned in subsections I to III of article 3 of this Resolution that do not have a direct relationship with the investor must identify, analyze, understand and mitigate the ML/TF/PF risks inherent to their activities, considering the parameters established in paragraphs 1 and 2 of article 17.

Art. 6 The director referred to in the text of article 8 must prepare a report on the internal ML/TF/PF risk assessment, to be sent to the senior management bodies specified in the AML/CFT/CPF policy, by the last business day of April, containing, in addition to the information required in subsections I and II of article 5, the following:

I – identification and analysis of ML/TF/PF risk situations, considering the respective threats, vulnerabilities and consequences;

II – if applicable, analysis of the performance of the representatives, tied agents or relevant service providers hired, as well as a description of the governance and duties associated with the maintenance of the simplified register, pursuant to Annex C;

III - table for the previous year, containing:

a) the consolidated number of transactions and atypical situations detected, segregated by each hypothesis, according to article 20;

b) the number of analyses carried out, as set forth for in article 21;

c) the number of suspicious transaction reports reported to the Council for Financial Activities Control (COAF), as set forth for in article 22; and

d) the date of reporting of the negative statement, if applicable, as set forth for in article 23;

IV –the measures adopted to comply with the provisions of subsections II (b)(c) of article 4;

V – the presentation of the effectiveness indicators in the terms defined in the AML/CFT/CPF policy, including the timeliness regarding the activities of detection, analysis and report transactions or atypical situations; and

VI – the presentation, if applicable, of recommendations to mitigate the risks identified from the previous year that have not yet been properly addressed, containing:

a) possible changes in the guidelines foreseen in the AML/CFT/CPF policy referred to in article 4;

b) improvement of the rules, procedures and internal controls referred to in article 7, with the establishment of sanitation schedules;

VII – indication of the effectiveness of the adopted recommendations referred to in subsection VI in relation to the respectively previous report, in accordance with the methodology assigned in subsection II of article 4 , recording the results individually.

Paragraph 1 The report referred to in this article must:

I – be prepared annually by the last working day of April and its content must refer to the year prior to the delivery date;

II – be available to the CVM and, if applicable, to the self-regulatory entity, at the institution's headquarters.

Paragraph 2 The report referred to in this article may be unique or comprise a comprehensive report on the supervision of rules, procedures and internal controls for implementation and compliance with policies required by CVM regulations, observing the compatibility of delivery deadlines, as applicable.

Section III – Rules, Proceedings, and Internal Controls

Art. 7 The legal entities mentioned in subsection I to III of article 3 of this Resolution must:

I - adopt and implement rules, procedures, and internal controls consistent with their size, as well as with the volume, complexity, and type of activities they perform in the securities market, in order to enable the faithful observance of the provisions of this Resolution, including:

a) prior analysis for the purpose of mitigating ML/TF/PF risks of new technologies, services and products; and

b) the selection and monitoring of managers, employees, tied agents and relevant service providers hired, with the objective of guaranteeing high standards of their staff; and

c) the way in which the responsible director referred to in article 8 will access the information necessary for proper AML/CFT/CPF risk management; and

II – maintain an ongoing training program for managers, employees, tied agents and relevant service providers hired, including to disclose its AML/CFT/CPF policy, as well as the respective rules, procedures, and internal controls.

Paragraph 1 The rules, procedures and internal controls dealt with in this article must be:

I –written;

II –verifiable; and

III –available for consultation by the CVM, the managing entities of organized markets and market infrastructure operators in which the person subject to the securities AML/CFT/CPF rule acts as a participant and the self-regulatory entity, if applicable.

Paragraph 2 The rules, procedures, and internal controls referred to in this article must provide that the managers, employees, tied agents, and relevant service providers hired, if applicable, from the legal entities mentioned in subsections (I to III of article 3 must report, within the scope of their duties, to their area responsible for internal controls, the proposals or occurrences of transactions or situations as set forth in article 20.

Paragraph 3 The training program referred to in subsection II must be carried out using clear, accessible language and be compatible with the functions performed and with the sensitivity of the information that those who participate in the program have access to.

Paragraph 4 Non-compliance with the provisions of subsection I and II of this article is not only the lack or insufficiency of the rules, procedures, and internal controls referred to therein, but also their non-implementation or inadequate implementation for the purposes set out in this Resolution.

Paragraph 5 Independent auditors must observe the limits, procedures and compliance required in performing an audit of financial statements or review of interim financial information, in accordance with specific regulations issued by the CFC and the rules issued by the CVM.

CHAPTER III – RESPONSIBILITIES

Section I – The Director's Duties

Art. 8 The legal entities mentioned in subsection I to III of article 3 of this Resolution must appoint a director[1], prescribed by their bylaws, responsible for complying with the rules established by this Resolution, in particular, for the implementation and maintenance of the respective AML/CFT/CPF policy compatible with the nature, size, complexity, structure, profile of risk and the institution's business model, in order to ensure the effective management of the indicated ML/TF/PF risks.

Paragraph 1 The appointment or replacement of the director referred to in this article must be informed to CVM and, when applicable, to the managing entities of organized markets, financial market infrastructure operating entities, and the self-regulatory entity with which the persons mentioned in subsection I and III of article 3 are related, within 7 (seven) business days of taking office.

Paragraph 2 The appointment or replacement of the director referred to in this article must be informed to CVM by the persons mentioned in subsection II of article 3 within 7 (seven) business days from their investiture.

Paragraph 3 In the event of impediment of the director referred to in this article for a period exceeding 30 (thirty) days, the substitute must assume said responsibility, and CVM must be notified within 7 (seven) business days of its occurrence.

Paragraph 4 The function referred to in this article may be performed along with other functions at the institution, as long as they do not involve possible conflicts of interest, especially with the institution's business areas.

Paragraph 5 In the case of a financial conglomerate, the appointment of the director provided for in this article is accepted for the entire conglomerate.

[1] The responsibilities of the director must be clearly stated on the entity's bylaws.

Paragraph 6 The directors referred to in this article must act with integrity, good faith, and professional ethics, employing, in the exercise of their functions, all the care, and diligence expected of professionals in their position.

Paragraph 7 If the persons referred to in subsection I to III in article 3 have an internal audit in their functional structure, their analyzes and assessments regarding the adequacy and effectiveness of the institution's rules, procedures and internal controls must be made available to the CVM.

Section II –The Senior Management Body Duties

Art. 9 Without prejudice to the duty of the director referred to in article 8, the senior management bodies, as specified in the AML/CFT/CPF policy, are responsible for approval and adequacy of the respective policy, the internal risk assessment, as well as the rules, procedures, and internal controls dealt with in articles 4 to 7.

Section III – Responsibilities of the Individual Independent Auditor and the Legal Entity Independent Auditor's Representative

Art. 10. The natural person independent auditor and the legal person independent auditor's representative appointed under the specific regulations that provide for the registration and exercise of the independent audit activity within the securities market are responsible for complying with the rules established by this Resolution regarding the independent auditors.

CHAPTER IV CDD – CUSTOMER DUE DILIGENCE

Section I – Customer Records and Identification of the Beneficial Owner

Art. 11. The persons mentioned in subsections I to III of article 3 of this Resolution, that have a direct relationship with the investor must identify him/her, keep his/her record up to date in accordance with the content indicated in Annexes B and C and according to subparagraph “b”, subsection II of article 4.

Paragraph 1 The persons mentioned in subsections I to III of article 3 must continually disseminate to their customers the importance of keeping their customer records data up to date, providing channels for these investors and their representatives, as the case may be, to communicate any updates, subject to the provisions of subsection II of article 2 of Annex B.

Paragraph 2 Organized market management entities and financial market infrastructure operating entities that do not have a direct relationship with investors must use the customer records information of participants for the purposes of applying this article to the AML/CFT/CPF policy.

Paragraph 3 The persons mentioned in subsections I to III of article 3 must not accept orders to move accounts from customers whose records are out of date, except in the case of requests for account closure or for the alienation or redemption of assets.

Art. 12. The adoption of alternative registration systems is allowed, including by electronic means, provided that the solutions adopted meet the objectives of the current regulations and the procedures are subject to verification.

Sole paragraph. The signature of the customer or his proxy in the customer records can be done digitally, or, in the case of electronic systems, supplied by other mechanisms, provided that the procedures adopted allow the customer's identification to be accurately confirmed.

Art. 13. The customer records information related to customers classified in subsections II to V of article 1 of Annex B shall cover natural persons authorized to represent them, all their direct and indirect controllers, and natural persons who have significant influence over them until reaching the natural person characterized as the beneficial owner or any of the entities mentioned in paragraph 2.

Paragraph 1 The persons mentioned in subsections I to III of article 3 must define, in accordance with their AML/CFT/CPF policy, the minimum participation percentage that characterizes direct or indirect control, observing that, exclusively for the purpose of complying with this article, the percentage cannot exceed 25% (twenty-five percent) of participation.

Paragraph 2 Exceptions to the provisions of this article regarding the obligation to identify the natural person characterized as the beneficial owner are:

I – the legal entity constituted as a publicly-held company in Brazil;

II – registered national investment funds and clubs, provided that:

a) They are not exclusive funds;

b) they obtain resources from investors with the purpose of assigning the development and management of an investment portfolio to a qualified manager who must have full discretion in the representation and decision-making with the invested entities, not being obliged to consult the shareholders for these decisions, nor indicate the shareholders or parties related to them to act in the invested entities; and

c) the CPF/MF number or registration number in the Brazilian National Register of Legal Entities ("Cadastro Nacional de Pessoa Jurídica", CNPJ) of all shareholders is informed to the Federal Revenue of Brazil, as defined in the specific regulation of that body;

III – financial institutions and other entities authorized to operate by the Central Bank of Brazil;

IV – insurance companies, open and closed supplementary pension entities, and their own social security systems;

V – non-resident investors classified as:

a) central banks, governments or government entities, as well as sovereign wealth funds or investment companies controlled by sovereign wealth funds and the like;

b) multilateral bodies;

c) publicly-held or equivalent companies;

d) financial institutions or similar, acting on their own behalf;

e) portfolio managers acting on their own behalf;

f) insurance companies and social security entities; and

g) collective investment funds or vehicles, on the condition that, cumulatively:

1. the number of shareholders is equal to or greater than 100 (one hundred) and none of them has significant influence; and

2. the management of the asset portfolio is carried out in a discretionary manner by a professional manager subject to the regulation of a regulatory body that has entered into a cooperation agreement with CVM, according to the terms outlined in subsection III of paragraph 3.

Paragraph 3 The inclusion of an investor in the list of subsection V of paragraph 2 does not exempt the persons mentioned in subsections I to III of article 3 to comply with the other obligations provided for in this Resolution, as applicable, in particular, the conduct of other measures foreseen in articles 17 and 18, and it should also be noted if the respective jurisdiction of origin:

I – is classified by international organizations, in particular the Financial Action Task Force - FATF, as non-cooperative or with strategic deficiencies, in relation to the anti-money laundering, countering the financing of terrorism and countering proliferation weapons of mass destruction financing;

II – integrates any list of sanctions or restrictions issued by the UNSC; and

III – it has a capital market regulatory body, in particular, that has signed a cooperation agreement with CVM that allows the exchange of financial information on investors, that is, a signatory to the

multilateral memorandum of understanding of the International Organization of Securities Commissions - IOSCO.

Paragraph 4 The persons mentioned in subsection I to III of article 3 shall also verify, for the purposes of subsection V of paragraph 2, and without prejudice to subsection III of paragraph 3, whether the respective customer is regulated and supervised by a competent governmental authority in their home jurisdiction.

Paragraph 5 Futhermore, for investors classified in item "c" of subsection V of paragraph 2, the respective exemption only applies if, in the jurisdiction of their respective headquarters, there is a law or regulation that requires periodic public disclosure of relevant natural shareholders.

Paragraph 6 In the situations foreseen in paragraph 2, the persons listed in subsections I to III of article 3 must inform in the register who are the natural persons representing the customers before their regulatory bodies.

Art. 14. Independent auditors must identify their customers and respective beneficial owners, in accordance with the procedures defined by the specific regulations issued by the CFC.

Art. 15. In situations where it is necessary to conduct investigations aimed at identifying the beneficial owner of entities constituted in the form of a trust or similar vehicle, efforts must also be made and evidenced to identify:

I – the person who established the trust or similar vehicle (the settlor);

II – the investment vehicle supervisor, if any (protector);

III – the administrator or manager of the investment vehicle (curator or trustee); and

IV – the beneficiary of the trust, whether one or more natural or legal persons.

Sole paragraph. For the purposes of this Resolution, a person who is not a settlor or protector, but who has significant influence in the investment decisions of the trust, or similar vehicle, is considered to be equivalent to a trustee or similar vehicle.

Art. 16. The persons referred to in subsection I to III of article 3 that have a direct relationship with the investor must, in a manner consistent with their AML/CFT/CPF policy, internal risk assessment, and other rules, procedures, and internal controls pay special attention to situations in which it is not possible to identify the beneficial owner, subject to the provisions of paragraph 2 of article 13, as well as in which the steps provided for in section II of Chapter IV cannot be completed.

Paragraph 1 In the cases described in this article, the persons mentioned there must adopt the following procedures:

I – reinforced monitoring, through the adoption of more rigorous procedures for the selection of transactions or atypical situations, according to article 20, regardless of the risk rating of that investor;

II – more careful analysis to verify the need for the reports referred to in articles 22 and 27, in the event of detection of other warning signs, according to subsection I of paragraph 1 of this article and article 21;

III – evaluation of the director referred to in article 8, verifiable, as to the interest in starting or maintaining the relationship with the investor.

Paragraph 2 Regarding investors, the managing entities of organized markets, and the operating entities of the financial market infrastructure will adopt the measures provided for in this article based on the information received from the participants, in compliance with the regulations in force.

Section II – Ongoing Due Diligence

Subsection I – Due Diligence by the Persons dealt with in subsection I to III of article 3

Art. 17. The persons mentioned in article 11 must continually adopt rules, procedures, and internal controls, following guidelines previously and expressly established in the policy referred to in article 4, to:

I – validate the customer records information and keep them updated, according to item “b”, subsection II of article 4, or at any time, if new relevant information becomes available;

II – apply and evidence verification procedures for registration information proportional to the risk of using its products, services, and distribution channels for money laundering, terrorism financing, and the proliferation of weapons of mass destruction financing;

III – monitor transactions and situations in order to permanently know their active customers;

IV – adopt due diligence to identify the beneficial owner;

V – classify active customers by degree of ML/TF/PF risk, as set forth in subsection II of article 5, and monitor the evolution of the institution's relationship with them, in order to timely review the respective classification, if applicable.;

VI – as for the active customers qualified in paragraph 2 of article 5:

a) continuously and specifically monitor the business relationship;

b) follow up on proposals to start a relationship in a distinctive way; and

c) identify customers who, after the beginning of the relationship with the institution, are included in this list, or for whom it is verified that they already had this quality at the beginning of the relationship with the institution;

VII – in situations of greater ML/TF/PF risk involving active customers:

a) apply additional efforts to identify the origin of the resources involved in these transactions; and

b) monitor more rigorously the evolution of the relationship with them, describing any measures adopted in the internal risk assessment, as per Section II of Chapter II; and

VIII – identify potential customers and respective beneficial owners who hold assets, values, and rights of possession or ownership, as well as all other rights, real or personal, owned, directly or indirectly, and that are related to the situations provided for in articles 27 and 28.

Paragraph 1 The persons mentioned in subsections I and III of article 3 that do not have a direct relationship with investors must, within the scope of their duties:

I – consider, for the ML/TF/PF risk-based approach, the AML/CFT/CPF policy and the respective rules, procedures, and internal controls of other persons mentioned in the same subsections with whom they relate;

II – seek the implementation of information exchange mechanisms with the internal control areas of the institutions mentioned in subsection I that have such a direct relationship, subject to any confidentiality or access restriction regimes provided for in the legislation;

III – continuously monitor the transaction carried out on behalf of these investors, considering the transactions or situations that do not depend on the possession of registration data, nor on the identification of the beneficial owner, as well as, when applicable, adopt the measures provided for in articles 21 and 22; and

IV – assess the relevance and opportunity to request additional information from the persons mentioned in subsection I and III of article 3 that have a direct relationship with investors, through the exchange mechanisms referred to in subsection II, if applicable, in compliance with the guidelines established in the AML/CFT/CPF policy and the internal risk assessment.

Paragraph 2 Regarding investors, the managing entities of organized markets and the financial market infrastructure operating entities must adopt the measures provided for in this article based on the information received from the participants, in compliance with the regulations in force.

Art. 18. The persons mentioned in subsections I and III of article 3 must only start any business relationship or continue the existing relationship with the relevant customer or service provider if the provisions established in this Chapter are observed.

Sole paragraph. The persons mentioned in subsection I and III of article 3 must, in a verifiable manner, understand and, where appropriate, endeavor to obtain additional information regarding the purpose of the business relationship maintained by the customer or, as the case may be, by a legally constituted attorney-in-fact, with the institution.

Subsection II – Due Diligence by the Independent Auditors

Art. 19. The independent auditors must continually adopt rules, following the procedures previously and expressly established in the policies referred to in paragraph 4 of article 4, to:

I – confirm the registration information of their customers, as well as the beneficial owners, and keep the respective customer records updated;

II – pay special attention to proposals for starting a relationship;

III - pay special attention to corporate transactions, or of any other nature, of their customers and respective beneficial owners, identified during the execution of the audit work, which may be associated with money laundering, terrorism financing, and the proliferation weapons of mass destruction financing; and

IV – identify, whenever possible and in compliance the audit procedures performed, the respective beneficial owners of corporate transactions, or those of any other nature, that may be associated with money laundering, terrorist financing, and the financing of the proliferation of weapons of mass destruction.

CHAPTER V – MONITORING, ANALYSIS, AND REPORT OF SUSPECT TRANSACTIONS AND SITUATIONS

Section I – Transactions Monitoring

Art. 20. For the provisions of subsection I of article 11, of Law No. 9,613 of 1998, the persons mentioned in subsections I to IV of article 3 must, within the scope of their duties, continuously monitor all transactions and situations, as well as observe the following atypicalities, which may, after detection and respective analysis, configure signs of ML/TF/PF:

I – situations derived from the customer identification process, as per Chapter IV, such as:

a) situations in which it is not possible to keep the registration information of its customers updated;

b) situations in which it is not possible to identify the beneficial owner;

c) situations in which the steps provided for in section II of Chapter IV cannot be completed;

d) in the case of customers classified in subsection I of article 1 of Annex B, transactions whose values appear to be incompatible with the professional occupation, income or equity or financial situation of any of the parties involved, based on the respective registration information; and

e) in the case of customers classified in subsections II to V of article 1 of Annex B, incompatibility of the economic activity, corporate purpose, or billing informed with the operational standard presented by customers with the same profile;

II – situations related to transactions carried out in the securities market, such as:

a) those carried out between the same parties or for the benefit of the same parties, in which there are consecutive gains or losses with regard to any of the parties involved;

b) that evidence a significant fluctuations concerning the volume or frequency of business by any of the parties involved;

c) whose developments contemplate characteristics that may constitute an artifice to deceive the identification of the personnel involved and their respective beneficiaries;

d) whose characteristics and developments evidence acting, consistently, on behalf of third parties;

e) that evidence a sudden and objectively unjustified change about the operational modalities usually used by those involved;

f) whose degree of complexity and risk appear incompatible with:

1. the profile of the customer or its representative, according to the specific regulations that provide for the duty to verify the suitability of products, services, and transactions to the customer's profile; and

2. with the size and corporate purpose of the customer;

g) carried out with the apparent purpose of generating loss or gain for which there is objectively lack of economic or legal basis;

h) private transfers of resources and securities without apparent motivation, such as:

1. between investors' current accounts with the intermediary;

2. ownership of securities without financial transactions; and

3. securities outside the organized market environment;

i) deposits or transfers made by third parties, for the settlement of customer, or for the provision of guarantees in transactions in future settlement markets;

j) payments to third parties, in any form, on account of the settlement of transactions or redemption of amounts deposited in guarantee, registered in the customer's name; and

k) transactions carried out outside the market price;

III - transactions and situations related to persons suspected of involvement in terrorist acts, with the financing of terrorism, or with the proliferation of weapons of mass destruction financing, such as those involving:

a) assets affected by sanctions imposed by the UNSC resolutions dealt with in Law No. 13,810, of March 8, 2019;

b) assets reached by request of a measure of unavailability from a foreign central authority of which it becomes aware;

c) the carrying out of business, whatever the value, by people who have committed or attempted to commit terrorist acts, or who participated in them or facilitated their commission, as set forth in Law No. 13,260, March 16, 2016;

d) securities owned or controlled, directly or indirectly, by people who have committed or attempted to commit terrorist acts, or who participated in them or facilitated their commission, as set forth in Law No. 13260, of 2016; and

e) movement likely to be associated with the financing of terrorism or the proliferation of weapons of mass destruction financing, as set forth) in Laws No. 13,260, of 2016, and 13,810, of March 8, 2019; and

IV –transactions with the participation of natural persons, legal entities or other entities that reside, have headquarters or are incorporated in countries, jurisdictions, dependencies or locations:

a) that do not apply or insufficiently apply the FATF recommendations, as per the lists issued by that body; and

b) with favored taxation and subject to privileged tax regimes, as per the rules issued by the Brazilian Federal Revenue Service; and

V – other hypotheses that, at the discretion of the persons mentioned in this article, constitute evidence of ML/TF/PF, whose notifications must be accompanied by a brief description of the possible irregularity, as set forth paragraph 1 of article 22.

Paragraph 1 The transactions or situations mentioned in this article comprise the following:

I – those subject to trading or registration involving securities, regardless of their value or the investor's ML/TF/PF risk rating;

II – unusual events identified within the scope of investigations and respective monitoring that may be associated with transactions and situations involving a high risk of ML/TF/PF; and

III – corporate or of any nature identified and evaluated by the independent auditors during the work of auditing the financial statements and review of interim financial information, for the duration of these works, and within the limits and in the form defined by the specific regulations issued by the CFC and by the rules issued by the CVM.

Paragraph 2 Monitoring must include transactions and situations that appear to be related to other transactions and related situations or that are part of the same group of transactions.

Paragraph 3 Concerning investors, the managing entities of organized markets and the financial market infrastructure operating entities must adopt the measures foreseen in this article based on the information received from the participants, in compliance with the regulations in force.

Paragraph 4 To frame the situations described in items “c”, “d” and “e” of subsection II, as well as in item “b” of subsection V of this article, the persons mentioned in article 3 must verify that the available information meets the minimum standards established in the AML/CFT/CPF policy that gives rise to the report referred to in article 22.

Section II – Transactions Analysis

Art. 21. The persons mentioned in subsection I to IV of article 3 must establish a regular and timely procedure for analyzing the transactions and situations detected under the terms of article 20, individually or together, with the objective of, within the scope of their duties identifying those that configure evidence of ML/TF/PF.

Sole paragraph. The analysis must observe the parameters foreseen in the AML/CFT/CPF policy and the internal risk assessment, as well as, where applicable, follow the respective rules, procedures, and internal controls, according to articles 4 to 7 of this Resolution.

Section III – Suspitious Transaction Report

Art. 22. The persons mentioned in subsections I to IV of article 3 of this Resolution must, following the provisions of this section and upon reasoned analysis, communicate to COAF about all situations and transactions detected, or proposals for transactions that may constitute serious indications of ML/TF/PF.

Paragraph 1 The reports referred to in this article must contain at least:

I – the date of the beginning of the relationship of the person communicating with the person who was the author or was involved in the transaction or situation;

II – the reasoned explanation of the identified warning signs;

III – the description and detailing of the characteristics of the transactions carried out;

IV – the presentation of the information obtained through the steps provided for in article 17, which qualify those involved, including stating whether or not they are politically exposed persons, and which detail the behavior of the person notified; and

V - the conclusion of the analysis, including the reasoned report that characterizes the warning signs identified as a suspect situation to be communicated to COAF, containing at least the information defined in the other subsections of this paragraph.

Paragraph 2 The persons mentioned in this article must abstain from informing any person of such act, including the person to whom the information refers.

Paragraph 3 The report referred to in this article must be made within 24 (twenty-four) hours from the conclusion of the analysis that characterized the atypical transaction, its proposal, or even the atypical situation detected, as a suspicion to be communicated to COAF.

Paragraph 4 Reports in good faith do not entail, under the terms of the law, civil or administrative liability to the persons referred to in this article.

Art. 23. The persons mentioned in subsections I to IV of article 3 of this Resolution shall communicate to CVM, if applicable, the non-occurrence, in the previous calendar year, of situations, transactions or proposed transactions that may be communicated.

Sole paragraph. The report referred to in this article must be carried out annually, until the last business day of April, through the mechanisms established in the agreement signed between CVM and COAF.

Art. 24. For the provisions of subsection I of article 11 of Law No. 9,613 of 1998, independent auditors must carry out the monitoring, analysis and report referred to in this Chapter, considering, at least, the application of the procedures provided for in specific regulations issued by the CFC.

CHAPTER VI – RECORD OF TRANSACTION AND FILE MAINTENANCE

Art. 25. The persons mentioned in subsections I to III of article 3 must keep a record of every transaction involving securities, regardless of their value, to allow:

I – verification of the financial transactions of each customer, according to the AML/CFT/CPF policy, the internal risk assessment, and the respective rules, procedures, and internal controls, according to articles 4 to 7 of this Resolution, as well as because of the information obtained in the customer identification process provided for in Chapter IV of this Resolution, considering in particular:

a) the amounts paid by way of settlement of transactions;

b) the values or assets deposited as collateral, in transactions in the future settlement markets; and

c) transfers of securities to the customer's custody account; and

II – the timely analyses and reports referred to in articles 21 to 23.

Art. 26. The persons mentioned in subsections I to III of article 3 must keep at CVM's disposal, for a minimum period of 5 (five) years, all documentation related to the obligations foreseen in Chapters II to V and VII.

Paragraph 1 The documentation referred to in this article must necessarily include, but not be limited to, the conclusions that substantiated the decision to carry out, or not, the reports referred to in articles 22 and 23.

Paragraph 2 Concerning the provisions of Chapters IV, V and VII, the period referred to in this article shall start, as the case may be, from the registration or the last registration update, or from the detection of the atypical situation, which deadline may be successively extended by CVM determination.

Paragraph 3 The documents and information referred to in this article, as well as the records referred to in article 25, can be saved in physical or electronic media.

Paragraph 4 Digitized images are allowed in place of the original documents, provided that the process is carried out following 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 the requirements for digitizing these documents.

Paragraph 5 The source document can be discarded after being digitized unless it presents material damage that impairs its legibility.

Paragraph 6 The electronic systems mentioned in paragraph 3 must:

I – enable the people mentioned in article 3 immediate access to the documents and information referred to in this article; and

II - use technology capable of fully complying with the provisions of this Resolution regarding customer registration.

CHAPTER VII – COMPLIANCE WITH SANCTIONS IMPOSED BY UNSC RESOLUTIONS

Art. 27. The persons mentioned in subsection I to IV of article 3 shall comply, immediately and without prior notice to the sanctioned parties, with the measures established in the sanctioning resolutions of the UNSC or the designations of its sanctions committees that determine the unavailability of assets, of any values owned, directly or indirectly, of natural persons, of legal entities or entities, under the terms of Law No. 13,810, of 2019, without prejudice to the duty to comply with judicial decisions of unavailability also provided for in said law.

Paragraph 1 The persons mentioned in subsections I to IV of article 3 must also inform, without delay, the Ministry of Justice and Public Security ("Ministério da Justiça e Segurança Pública", MJSP) and CVM, the existence of persons and assets subject to the unavailability determinations referred to in this article to which they have failed to comply immediately, justifying the reasons for such.

Paragraph 2 The unavailability referred to in this article refers to the prohibition of transferring, converting, moving, or making available assets or disposing of them, directly or indirectly, including interest and other civil fruits and income arising from the contract, as set forth in subsection II of article 2 and in paragraph 2 of article 31 of Law No. 13,810, of 2019.

Paragraph 3 The persons mentioned in subsections I to IV of article 3 must adopt the procedures below, without the obligation for communication from the CVM referred to in subsection I of article 10 of Law No. 13,810, of 2019:

I – monitor, directly and permanently, the unavailability determinations referred to in this article, as well as any information to be observed for their proper compliance, including the possible total or partial survey of such determinations concerning persons, entities, or assets, with a view to immediate compliance as determined, following, for this purpose, without prejudice to the adoption of other monitoring measures, the information disclosed on the UNSC page on the World Wide Web; and

II – immediately communicate the unavailability of assets and attempts to transfer them related to natural persons, legal entities, or other entities sanctioned by resolution of the UNSC or by designations of its sanctions committees, as set forth by article 11 of Law No. 13,810 of 2019:

a) to CVM;

b) to the MJSP;

c) to COAF; and

III – keep under verification the existence or emergence, within its scope, of assets affected by the unavailability determinations referred to in this article, for the purpose of putting such assets immediately, as soon as detected, under the unavailability regime provided for in subsection II of article 2 and in paragraph 2 of article 31 of Law No. 13,810 of 2019.

Paragraph 4 The persons mentioned in subsections I to IV of article 3 must proceed with the immediate survey of the unavailability of assets referred to in this article, in the event of exclusion of persons, entities or assets from the corresponding lists of the UNSC or its sanctions committees.

Paragraph 5 Compliance with the obligations referred to in Chapter VII must not be subject to the parameters of the ML/TF/PF risk-based approach.

Art. 28. In order to ensure the faithful compliance with the provisions of article 27, the persons mentioned in subsections I to IV of article 3 must, within the scope of their duties , adapt their rules, procedures and internal controls with regard to all business relationships that already exist, or that may be subsequently initiated within their scope, in which individuals may be identified as interested, legal entities or entities affected by the unavailability determinations referred to in article 27.

CHAPTER VIII – FINAL PROVISIONS

Art. 29. For the purposes of the provisions of Law No. 9,613 of 1998, infractions related to articles 4 to 6 and 17 to 28 of this Resolution.

Art. 30. This revokes:

I – CVM Instruction No. 617, of December 5, 2019; and

II – the Explanatory Note to CVM Instruction 617, of December 5, 2019.

Art. 31. This Resolution takes effect on October 1, 2021.

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CVM RESOLUTION NO. 50, OF AUGUST 31, 2021

Electronically signed by
MARCELO BARBOSA
Chairman

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ANNEX A TO CVM RESOLUTION NO. 50, OF AUGUST 31, 2021

Provides for the Politically Exposed Persons dealt with in article 5, subsection I

Art. 1 For the purposes of this Resolution, politically exposed persons are defined as:

I – holders of elective mandates of the Executive and Legislative Powers of the Union;

II – the occupants of office, in the Executive Power of the Union, as:

a) Minister of State or equivalent;

b) Special Nature or equivalent;

c) chairman, vice chairman and director, or equivalent, of indirect public administration entities; and

d) Senior Management and Advisory Group ("Grupo de Direção e Assessoramento Superiores", DAS), level 6, or equivalent;

III – the members of the National Council of Justice, the Federal Supreme Court, the Superior Courts, the Regional Federal Courts, the Regional Labor Courts, the Regional Electoral Courts, the Superior Council of Labor Justice, and the Council of Federal Justice;

IV – the members of the National Council of the Public Prosecution, the General Attorney of the Republic, the Vice General Attorney of the Republic, the General Attorney for Labor, the General Attorney for Military Justice, the Deputy General Attorneys and the General Attorneys of the State Courts and the Federal District Courts;

V – the members of the Federal Court of Accounts, the General Attorney, and the Deputy General Attorneys of the Public Prosecution at the Federal Court of Accounts;

VI – the national chairmen and treasurers, or equivalent, of political parties;

VII – Governors and Secretaries of States and of the Federal District, State and District Representatives, chairmen, or equivalent, of state and district indirect public administration entities and chairmen of Courts of Justice, Military Courts, Courts of Accounts or equivalent of States and the Federal District; and

VIII – Mayors, Councilors, Municipal Secretaries, Chairmen, or equivalent, of indirect municipal public administration entities and Chairmen of Courts of Accounts, or equivalent, of Municipalities.

Sole paragraph. For the identification of politically exposed persons within this article, the persons mentioned in subsections I to IV of article 3 of the Resolution must consult the specific database made available by the Federal Government.

Art. 2 The following people, abroad, are also considered politically exposed:

I – heads of state or government;

II – higher-ranking politicians;

III – occupants of senior government posts;

IV – general officers and members of higher levels of the Judiciary;

V – senior executives of public companies; or

VI – leaders of political parties.

Art. 3 Senior managers of public or private international law entities are also considered politically exposed persons.

Art. 4 For the identification of politically exposed persons under articles 2 and 3, persons mentioned in subsections I to IV of article 3 of the Resolution must resort to open sources and public and private databases.

Art. 5 The condition of politically exposed person lasts up to 5 (five) years from the date on which the person ceased to comply with articles 1 to 3 of this Annex A.

Art. 6 For the provisions of subsection I, paragraph 2 of article 5 of this Resolution, the following persons are considered:

I – family members: relatives, in the direct line, up to the second degree, spouse, partner, partner, stepson and stepdaughter; and

II - close collaborators:

a) natural persons who are known to have a partnership or joint ownership in legal entities governed by private law or in unincorporated arrangements, who appear as agents, even if by private instrument, or have any other type of close relationship of public knowledge with a politically exposed person; and

b) natural persons who have control of legal persons governed by private law or in unincorporated arrangements known to have been created for the benefit of a politically exposed person.

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ANNEX B TO CVM RESOLUTION NO. 50, OF AUGUST 31, 2021

Provides for the contents of the customer records referred to in article 11

Art. 1 The customer records must have, at least, the following content:

I – in the case of a natural person:

a) full name;

b) date of birth;

c) birthplace;

d) nationality;

e) marital status;

f) mother's name;

g) identification document number and issuing body;

h) registration number in the Registry of Natural Persons – ("Cadastro de Pessoas Físicas", CPF/MF);

i) name and respective CPF/MF number of the spouse or partner, if applicable;

j) place of residence (street, complement, district, city, federation unit, and ZIP code) and telephone number;

k) email address for correspondence;

l) professional occupation;

m) name of the entity, with the respective customer records with the CNPJ, for which he/she works, when applicable;

n) updated information on earnings and equity status;

o) information on the customer's profile, according to specific regulations that provide for the duty to verify the suitability of products, services, and transactions to the customer's profile, when applicable;

p) if the customer operates on behalf of third parties, in the case of managers of investment funds and managed portfolios;

q) whether or not the customer authorizes the transmission of orders by proxy;

r) place of residence of the proxies, if any, as well as a record of whether they are considered politically exposed persons, if applicable, under the terms of this Resolution;

s) qualification of proxies and description of their powers of attorney, if any;

t) dates of customer records updates;

u) costumer's signature, subject to the provisions of the sole paragraph of article 12;

v) whether the customer is considered a person politically exposed under this Resolution;

w) copy of the following documents:

1. identification document; and

2. proof of residence or domicile; and

x) copies of the following documents, if applicable:

1. power of attorney; and

2. identity document of proxies and respective registration number in the Registry of Natural Persons – CPF/MF;

II - in the case of a legal entity, except legal entities with securities issued by them admitted to trading on an organized market:

a) name or business name;

b) names and CPF/MF of direct controllers or corporate name and CNPJ registry of direct controllers, indicating whether they are politically exposed persons;

c) names and CPF/MF of administrators;

d) names and CPF/MF of proxies, if applicable;

e) registration with the CNPJ;

f) complete address (street, complement, district, city, state, and zip code);

g) telephone number;

h) email address for correspondence;

i) updated information on the average monthly billing for the last 12 (twelve) months and the respective equity situation;

j) information on the customer's profile, according to specific regulations that provide for the duty to verify the suitability of products, services, and transactions to the customer's profile, when applicable;

k) name or corporate name, as well as the respective registration with the CNPJ of controlling, controlled, or affiliated legal entities, when applicable, provided that if the controlling, controlled or affiliated company is domiciled or headquartered abroad and does not have a CNPJ in Brazil, it must be informed of the company name and identification or registration number in their country of origin;

l) if the customer operates on behalf of third parties, in the case of investment fund managers and managed portfolios;

m) whether or not the customer authorizes the transmission of orders by a representative or attorney;

n) qualification of representatives or attorneys, if applicable and description of their powers;

o) dates of customer records updates;

p) signature of the customer, subject to the provisions of the sole paragraph of article 12;

q) copies of the following documents:

1. incorporation document of the legal entity duly updated and registered with the competent body; and

2. corporate acts that indicate the managers of the legal entity, if applicable;

r) copies of the following documents, if applicable:

1. power of attorney; and

2. identity document of proxies and respective registration number in the Register of Individuals – CPF/MF; and

s) full address of the proxies, if any, as well as a record of whether they are considered politically exposed persons, if applicable, under the terms of this Resolution;

III – in the case of a legal entity, with securities issued by it, admitted to trading on an organized market:

a) name or corporate name;

b) names and CPF/MF number of its administrators;

c) registration with the CNPJ;

d) complete address (street, complement, district, city, state and zip code);

e) telephone number;

f) email address for correspondence;

g) dates of customer records updates; and

h) the customer's agreement with the information;

IV – in the case of investment funds registered with the Securities Commission of Brazil:

a) the name;

b) registration with the CNPJ;

c) complete identification of its trustee and manager, pursuant to subsections II or III of this article, as applicable; and

d) dates of customer records updates; and

V – in all other cases:

a) the complete identification of the customers, under the terms of subsections I to IV, as applicable;

b) the complete identification of their representatives and administrators, as applicable;

c) updated information on the financial and equity situation;

d) information on the customer's profile, according to specific regulations that provide for the duty to verify the suitability of products, services, and transactions to the customer's profile, when applicable;

e) if the customer operates on behalf of third parties, in the case of investment fund managers and managed portfolios;

f) dates of customer records updates; and

g) signature of the customer, subject to the provisions of the sole paragraph of article 12.

Paragraph 1 The information contained in items "i", "m", "q", "r" and "s" of subsection I and "k" and "s" of subsection II will only be required in relation to the customer records of investors acting in organized securities markets.

Paragraph 2 Changes to the address included in the customer records depend on the order of the investors, by physical or electronic means, and proof of the corresponding address.

Paragraph 3 In the case of non-resident investors, the customer records must additionally contain:

I – the names and respective CPF/MF numbers of natural persons authorized to issue orders in Brazil and, as the case may be, of the institution's managers or persons responsible for managing the portfolio; and

II – the names and respective CPF/MF numbers of the legal representative and the person responsible for the custody of their securities in Brazil.

Paragraph 4 The information regarding the investment funds required in items "a" and "b" of subsection IV of this article can be obtained and updated directly through the CVM page on the world wide web, without the need for authorization or approval from the trustee or of the investment fund manager.

Paragraph 5 In the event of investment made by investment funds in investment fund quotas, the obligation of prior and formal collection of customer records information is waived if the trustee of the investing fund and the invested fund belong to the same financial conglomerate and maintain an electronic system that allows access, at any time, to the customer records information required by the regulations.

Paragraph 6 The waiver foreseen in paragraph 5 does not release the trustee nor the share distributor from the other obligations provided for in the Resolution.

Art. 2 The customer records must include a declaration, dated and signed by the investor:

I – that the information provided to complete the customer records is true;

II – that they commit to inform, within 10 (ten) days, any changes that may occur in its customer records data, including any possible revocation of mandate, if there is an attorney-in-fact;

III – that he/she is a person linked to the intermediary, when applicable;

IV – that they are not prevented from operating in the securities market;

V – informing how their orders must be transmitted; and

VI - that it authorizes the intermediaries, if there are outstanding debts in its name, to settle the contracts, rights, and assets acquired on its behalf, as well as to execute goods and rights given as guarantees of its transactions or that are in the power of the intermediary, applying the proceeds of the sale in the payment of pending debts, regardless of judicial or extrajudicial notification, when applicable.

Paragraph 1 For the trading of investment fund shares, it will also be mandatory that the prior authorization of the investor be included in the customer records through a specific instrument, including a statement of knowledge that:

I – the investor received the regulation and, if applicable, the prospectus or sheet;

II – the investor became aware of the risks involved and the investment policy;

III – the investor became aware of the possibility of the obligation to provide additional resources, in the event that the net worth of the investment fund becomes negative.

Paragraph 2 The provisions of paragraph 1 of this article do not apply to the trading of shares on an organized market.

Paragraph 3 In the case of adopting alternative customer records systems, including electronic ones, the declarations referred to in this article may be presented by other means that proves the investor's expression of will.

Art. 3 The participant must keep the records updated with the persons mentioned in subsection II of article 3 in which they operate, under the terms and standards established by them.

Sole paragraph. The persons mentioned in subsection II of article 3 may ask their participants for additional information regarding their customers, seeking full compliance with the provisions of article 11 of this Resolution.

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ANNEX C TO CVM RESOLUTION NO 50, OF AUGUST 31, 2021

Provides for the content of the simplified customer records referred to in article 11

Art. 1 The use of simplified customer records of non-resident investors is allowed, allowing the collection and maintenance of customer records data to be carried out by a foreign institution, provided that:

I – the non-resident investor is a customer of a foreign institution, with which they are duly registered under the applicable legislation in their country of origin;

II – the foreign institution referred to in subsection I assumes, before the persons mentioned in subsection I to III of article 3, the obligation to present, whenever requested, all information related to the investor arising from the process of their identification;

III – the persons mentioned in subsections I to III of article 3 of this Resolution:

a) establish criteria that allow them to verify the degree of reliability of the foreign institution referred to in subsection I;

b) adopt the necessary measures to ensure that the investor's customer records information is promptly presented by the foreign institution, whenever requested;

c) establish criteria that allow them to verify that the foreign institution referred to in subsection I:

1. adopts adequate investor identification and registration practices, consistent with the applicable legislation in the respective country of origin; and

2. implements the due diligence aimed at identifying the beneficial owner, following the applicable legislation in the respective country of origin;

IV – the foreign institution referred to in subsection I is located in a country that is not:

a) classified by international organizations, in particular FATF, as non-cooperative or with strategic deficiencies in relation to the anti-money laundering, countering the financing of terrorism and countering proliferation weapons of mass destruction financing; and

b) part of some list of sanctions or restrictions issued by the UNSC; and

V – the regulatory body of the capital market of the country of origin of the foreign institution has signed a mutual cooperation agreement with CVM that allows the exchange of financial information on investors, or is a signatory to the IOSCO multilateral memorandum of understanding.

Paragraph 1 It is up to the persons mentioned in subsection II of article 3 to define the minimum content of the simplified customer records and to have control mechanisms that guarantee compliance with the provisions of this article.

Paragraph 2 The persons mentioned in subsections I to III of article 3 of this Resolution must identify with the foreign institution, or with trustworthy third parties, in which categories the non-resident investor is qualified, according to the specific CVM regulations that provide for the customer records, transactions, and disclosure of information on investors not resident in Brazil.

Paragraph 3 The persons mentioned in subsections I to III of article 3 must, following their internal risk assessment, conduct investigations to:

I – gather additional information for a better understanding of the income or revenue, as well as the assets of that non-resident investor, in situations where this is applicable; and

II - identify, subject to the provisions of articles 13, 15 and 16 of the Resolution and paragraph 2 of article 1 of Annex III, the situations in which the individualization of a natural person, or natural persons as effective beneficial owners, is possible, as well as make the necessary efforts to identify them.

Paragraph 4 Without prejudice to the steps provided for in paragraphs 2 and 3 of article 1 of Annex III, the other obligations provided for in articles 17, 18, 20, 21, 22, 27 and 28 must be observed, as applicable.

Paragraph 5 The steps referred to in paragraphs 2 and 3 of article 1 of Annex III must be permanent, be dealt with in the policy provided for in article 4 of the Resolution and be subject to verification.

Paragraph 6 If the necessary information is not provided by the foreign institution, or even cannot be obtained from reliable third parties, and this gap compromises the full knowledge of the customer classified as a non-resident investor, the Brazilian institution must:

I – compile all other warning signs that were detected about the situations, transactions, or proposed transactions of that investor, within the scope of article 20 of this Resolution, if applicable;

II – evaluate, in individual analysis, the relevance and opportunity of reporting to COAF, according to articles 21 and 22 of this Resolution; and

III – adopt additional measures aimed at mitigating the risk of ML/TF/PF, according to paragraph 1 of article 16.

Art. 2 The rules established by the persons mentioned in subsection II of article 3 and by the self-regulatory entity for the fulfillment of this section must include, at least, the following:

I - the requirement of signing a written contract between Brazilian and foreign institutions, which must include the following minimum content:

a) obligation of the foreign institution to present to the Brazilian one, the persons mentioned in subsection II of article 3 in which it participates, to the self-regulatory entity or directly to CVM, within the established deadlines, the duly updated information on the identification of the customer;

b) a clause establishing the subjection of the contract to Brazilian law, and the competence of the Brazilian Judiciary to hear any claims filed due to controversies arising from the contract, assuming the existence or competence of an arbitration court, provided that the arbitration clause stipulates that the arbitration shall be headquartered and take place in Brazil, conducted in Portuguese and that any confidentiality of the procedure will not apply to the CVM, which shall be informed of its existence and may have access to the records if deemed necessary; and

c) a clause imposing termination in the event of non-compliance with the obligation to provide information on non-resident investors at the request of the Brazilian institution, the organized market management entity or a Brazilian public body with supervisory powers;

II – prohibition of the use of the simplified customer records for customers acting through a foreign institution that has failed to provide information on non-resident investors;

III - deadlines and form of communication, to the managing entity of the organized market in which the participant is authorized to operate, on the execution, termination, or amendment of the contract referred to in subsection I of this article, as well as on the non-compliance with any stipulations contained therein; and

IV – inclusion of the verification of compliance of the contracts referred to in subsection I of this article and compliance with the relevant rules in the work schedule of the self-regulatory entity.

Sole paragraph. The persons mentioned in subsection II of article 3 and the self-regulatory entity must:

I – submit the rules mentioned in this paragraph to CVM's approval before their effective date; and

II – keep at CVM's disposal an updated list of contracts concluded between foreign institutions and Brazilian institutions subject to self-regulation.