

REGULATIONS OF INTEREST TO FOREIGN INVESTORS

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CVM INSTRUCTION 356, OF DECEMBER 17 2001, WITH THE AMENDMENTS INTRODUCED BY CVM INSTRUCTIONS 393/03, 435/06, 442/06, 446/06 AND 458/07.

CVM Instruction No. 356 of December 17, 2001

***This is a
Free
Translation.
Any
questions
arising from
the text
should be
clarified by
consulting
the original.***

Regulates the organization and operation of receivables investment funds and funds for investment in receivables investment fund shares.

The **Chairman of the Brazilian Securities Commission** (*Comissão de Valores Mobiliários - CVM*) hereby makes public that the CVM Board, in a session held on this date, and pursuant to article 19 of Law No. 6385 of December 7, 1976, as well as to National Monetary Council (CMN) Resolution No. 2907 of November 29, 2001, has RESOLVED to issue the following Instruction:

SCOPE AND PURPOSE

Article 1. - This Instruction lays down the general rules for organization, management, operation and reporting requirements relating to Receivables Investment Funds (*Fundos de Investimento em Direitos Creditórios - FIDC*) and Funds for Investment in Receivables Investment Fund Shares (*Fundos de Investimento em Cotas de Fundos de Investimento em Direitos Creditórios - FICFIDC*).

DEFINITIONS

Article 2. - For the purposes hereof, the following definitions shall apply:

I. - receivables: the credit rights and underlying instruments originating from transactions in the financial, commercial, industrial, real estate, mortgage, leasing and service segments, and the warrants, agreements and securities referred to under Art. 40 (8) of this Instruction;

• ***Sub-item I as reworded by CVM Instruction 442, of December 8 2006***

II. - assignment of receivables: the transfer of receivables from assignor (whether or not the original creditor) to FIDC, without any change in the other elements that make up the corresponding obligation;

III. - Receivables Investment Fund (FIDC): a communion of funds that invests a majority portion of its net equity in receivables;

IV. - Fund for Investment in Receivables Investment Fund Shares (FICFIDC): a communion of funds that invests at least ninety-five percent (95%) of its net equity in FIDC shares;

V. - open-end fund: a community investment entity that allows its shareholders to redeem their shares as provided for in the respective fund bylaws;

VI. - closed-end fund: a community investment entity represented by shares that may be redeemed only at the end of a preset period, or of a preset period for each series of class of quotas, as stated in the by-laws or upon liquidation of the fund, without prejudice to repayment of shares as specifically determined in the fund bylaws or by resolution of the general shareholder meeting;

• ***Sub-item VI as reworded by CVM Instruction 393, of July 22 2003***

VII. - majority portion: any portion exceeding fifty percent (50%) of the fund's net equity;

VIII. - qualified investor: the investor defined as such in the CVM regulations for securities investment funds;

IX. - assignor: whoever assigns receivables to FIDC;

X. - custodian: the legal entity accredited with CVM for the custody of fungible assets;

XI. - senior class share: the share that is not subordinated to others for repayment and redemption purposes;

• ***Sub-item XI as reworded by CVM Instruction 393, of July 22 2003***

XII. - junior share: the share that is subordinated to the senior or other junior shares for repayment and redemption purposes;

XIII – series: subsets of senior class shares of the closed-end fund, individualized solely on account of effective terms and repayment, redemption and remuneration values, if any;

• ***Sub-item XIII as reworded by CVM Instruction 393, of July 22 2003***

XIV. - repayment: the payment to the shareholders of the closed-end fund of portions of the share value, without entailing a reduction in the number of shares thereof.

• ***Sub-item XIV as reworded by CVM Instruction 393, of July 22 2003***

ORGANIZATION AND GENERAL CHARACTERISTICS

General Characteristics

Article 3. - The funds governed by this Instruction shall:

I. - be organized as an open- or closed-end investment entity;

II. - may receive investments and have their shares traded in the secondary market only if the subscriber or acquirer of shares is a qualified investor;

III. - each class or series of shares issued by such funds and destined for public placement shall be rated by a credit rating agency operating in Brazil; and

• ***Sub-item III as reworded by CVM Instruction 393, of July 22 2003***

IV. - set a minimum investment value of twenty-five thousand reais (R\$ 25.000,00).

Article 4. - The fund name shall not be inconsistent with its objective, and shall bear the expression *Fundo de Investimento em Direitos Creditórios* (Receivables Investment Fund) or *Fundo de Investimento em Cotas de Fundo de Investimento em Direitos Creditórios* (Fund for Investment in Receivables Investment Fund Shares), as applicable; in addition, the fund name shall identify any specific target(s) in which a majority portion of its equity will be invested, if any.

Article 5. - The fund shall be governed by prevailing rules and pursuant to its bylaws, which shall be prepared in strict compliance with the provisions hereof. In addition, the fund shall disclose its major characteristics to the general public through a prospectus prepared in accordance with the contents hereof.

Article 6. - The repayment or redemption terms shall be defined in the by-laws of the fund for each class and series of shares.

- **Heading as reworded by CVM Instruction 393, of July 22 2003**
- **Sole paragraph revoked by CVM Instruction 393, of July 22 2003**

Organization and Operation of the Funds

Article 7. - A fund shall be organized by resolution of its manager, which shall forthwith approve the entire contents of the corresponding fund bylaws.

Article 8. - The operation of the funds governed by this Instruction shall be conditioned to prior registration with the CVM.

- **Heading as reworded by CVM Instruction 393, of July 22 2003**

Paragraph 1. - Registration shall be automatically granted within a term of up to five (5) business days after the date on which the following documents and information is filed with the CVM:

- **Paragraph 1 as reworded by CVM Instruction 442, of December 8 2006**

I - Organization acts and the unabridged version of its by-laws, in three (3) counterparts, duly initialed and signed, together with a certificate evidencing its registration with a Registrar of Securities and Documents;

II - three (3) counterparts of the prospectus, in the case of an open-end fund;

- **Item II as reworded by CVM Instruction 442, of December 8 2006**

III. - the disclosing material to be utilized in the distribution of fund shares;

IV. - name of the independent auditor, custodian, and credit rating agency retained by the fund manager;

V. - name of the officer or managing partner of the managing institution in conformity with regulations in force who shall be held liable in the civil and criminal spheres for the fund management, supervision and monitoring, as well as for proper disclosure and reporting of fund-related information;

VI. - a statement by which the officer or managing partner appointed as per the preceding item acknowledges that:

(a) he is aware of his obligations towards the fund;

(b) he is responsible and liable for the trading in receivables;

(c) he is responsible and liable under current legislation, including but not limited in relation to third parties, for any fraud, negligence, recklessness, or ineptitude in the fund management, being furthermore subject to the penalties set forth under Art. 11 of Law 6385, of December 7 1976. punishable by suspension or ineligibility for senior management positions in financial institutions and other institutions authorized to operate by the Central Bank of Brazil;

VII. - a statement by which the fund manager undertakes to comply with the provisions hereof, and confirms that the fund by-laws are conform to current laws, as per Attachment I hereto;

VIII. - a record form duly filled as per Attachment II hereto, by the fund manager and, as the case may be, by the portfolio manager.

- **Paragraph 1 and Items I to VIII as reworded by CVM Instruction 393, of July 22 2003**

IX - the fund's enrollment with the Corporate Taxpayer Register of the Ministry of Finance (CNPJ);

- **Item IX included by CVM Instruction 442, of December 8 2006**

Paragraph 2. - In the case of closed-end funds, the documents referred to under Art. 20 (1) hereof must also be submitted.

- **Paragraph 2 as reworded by CVM Instruction 393, of July 22 2003**

Paragraph 3. The appointed officer or managing partner, without detriment to conformity with the directives defined under current regulations, shall prepare quarterly reports evidencing:

I - that the fund operations are both in line with the investment policy envisioned in the respective bylaws and in strict abidance by the applicable portfolio composition and diversification requirements;

II - that trades were carried out at fair market values;

III - the procedures adopted during the preceding quarter by the trustee for checking the substance by means of sampling, including the methods for selecting the sample, as the case may be; and

IV - the results of the checking of the substance, by sampling or otherwise, carried out in the preceding quarter by the trustee, specifying, within the universe submitted to reviw, the quantity and the relevance of non-existing credits that are found, if any.

- **Paragraph 3 as reworded by CVM Instruction 442, of December 8 2006**

Paragraph 4. - The reports referred to in the 3rd paragraph shall be forwarded to CVM over the Document Forwarding System available on the Internet homepage of the Commission, within forty-five (45) days after the closing of the relevant period, and shall remain at the disposal of fund shareholders, also being open for inspection by independent auditors

- **Paragraph 4 as reworded by CVM Instruction 435, of July 5 2006**

Paragraph 5. - .

- For the purposes of the 3rd paragraph hereof, the calendar year shall apply.

- **Paragraph 5 as reworded by CVM Instruction 393, of July 22 2003**

Paragraph 6. - The automatic registration mentioned in § 1 of this Article does not apply to funds which:

I - do not comply with the provisions of Art. 40 (8) of this Instruction;

II - in which the trustees exercise the rights dealt with under Art. 38 (3); and

III - which invest in credit rights assigned or originated by corporations controlled by the Public Administration.

- **Paragraph 6 as reworded by CVM Instruction 442, of December 8 2006**

Paragraph 7 - In the cases dealt with under the 6th paragraph of this Article, the registration request shall comply with the terms defined under Artiles 8 to 10 of CVM Instruction 400, of December 29, 2003.

- **Paragraph 7 inserted by CVM Instruction 442, of December 8 2006**

Paragraph 8 - In the funds referred to under § 6 (III) of this Article, in addition to the documents and information provided for under the 1st paragraph of this Article, a statement must be submitted concerning the existence of a financial commitment that represents a credit transaction, for the purposes of the provisions of Supplementary Law no. 101, of May 4 2000. If in the affirmative, the relevant authorization of the Ministry of Finance must be enclosed, as per Art. 32 of the said Supplementary Law.

- **Paragraph 8 inserted by CVM Instruction 442, of December 8 2006**

Article 9. - CVM may order that the fund be liquidated in the following events, without prejudice to such other cases as CVM may expressly determine:

I. - for an open-end fund: if it has not reached the average net equity set forth in item III of this article within ninety (90) days from filing with CVM of the documents listed in article 8 above;

II. - for a closed-end fund: if the shares representing its initial equity capital have not been fully subscribed within one hundred and eighty (180) days as from the announcement of the onset of distribution, save in the case of the cancellation of the unplaced balance before the said term, and provided an express provision in this sense has been included in the by-laws;

- **Item II as reworded by CVM Instruction 442, of December 8 2006**

III. - if the fund's average net equity falls under five hundred thousand reais (R\$ 500,000.00) for a period of three (3) consecutive months.

- **Item III as reworded by CVM Instruction 393, of July 22 2003**

Paragraph 1. - In the event set forth in item III of this article, the fund may alternatively be merged into another FIDC.

- **§ 1 as reworded by CVM Instruction 393, of July 22 2003**

Paragraph 2. - At its exclusive discretion and based on a circumstantiated request, CVM may extend the timeframes set forth in items I, II and III of this article for an additional period not exceeding the original one.

Article 10. - Within ten (10) days from the respective event, the manager shall provide CVM with the following information:

I. - the date on which the first payment of fund shares occurred; and

II - the date of closing of each distribution of shares, in the case of closed-end funds.

- **Article 10 as reworded by CVM Instruction 442, of December 8 2006**

SHARES

Article 11. - The fund shares shall be uncertificated, duly kept in deposit accounts in the name of the respective holders.

- **Article 10 as reworded by CVM Instruction 393, of July 22 2003**

Sole paragraph. The administrating institution may record in the accounts the shares of the funds under its administration, even if it has not been authorized by CVM to provide accounting services to third parties for securities.

- **Sole paragraph inserted by CVM Instruction 442, of December 8 2006**

Article 12. - Senior shares shall be issued in one single class, provided, however, that for repayment and redemption purposes, subordinated shares may be divided into several classes.

- **Heading of Article 12 as reworded by CVM Instruction 393, of July 22 2003**

Paragraph 1 - In the case of closed-end funds, the senior shares may be divided into series at different values and terms for the purposes of repayment, redemption and remuneration.

- **Paragraph 1 inserted by CVM Instruction 393, of July 22 2003**

Paragraph 2 - Each series of quotas shall have the same features and shall confer upon their holders equal rights and duties, as per the by-laws.

- **Paragraph 2 inserted by CVM Instruction 393, of July 22 2003**

Paragraph 3 - In the event the fund is liquidated, the holders of the senior shares shall be entitled to split the assets of the fund pro rata to the values provided for repayment or redemption of the respective series and up to the limit of such values, on the date of liquidation. No preference, priority or subordination among the holders of senior shares shall be allowed.

- **Paragraph 3 inserted by CVM Instruction 393, of July 22 2003**

Paragraph 4 - No portion of the assets of the fund may be ascribed or linked to any class or series of shares, on any grounds whatsoever.

- **Paragraph 4 inserted by CVM Instruction 393, of July 22 2003**

Article 13. - Fund shares may only be placed by an institution that is a member of the securities distribution system.

Article 14. - Fund share values shall be calculated at least upon preparation of monthly and annual financial statements, by using the methodology for determination of the market value for receivables and other financial assets comprising the respective portfolio, as defined in the by-laws of the fund (Art. 24 (XIII)), based on consistent and verifiable criteria and supported by extraneous and intrinsic information that take such aspects as the conditions of the debtor, guarantors and the respective transaction into consideration, and adopting market value, if available.

- **Heading reworded by CVM Instruction 393, of July 22 2003**

Sole paragraph - The quotas shall be registered at their respective value for repayment or redemption, subject to the features of each class or series, if any.

- **Sole paragraph inserted by CVM Instruction 393, of July 22 2003**

Article 15. - The paying in, the repayment and the redemption of fund shares may be made in check, money order, debit and credit to current account, bank transfer or any other form of fund transfer as authorized by the Central Bank of Brazil - BACEN.

- **Heading reworded by CVM Instruction 393, of July 22 2003**

Paragraph 1. - Senior shares may be redeemed in the form of receivables, in conformity with the by-laws, solely in the event of an accelerated liquidation of the fund.

- **§ 1 inserted by CVM Instruction 393, of July 22 2003**

Paragraph 2. - For junior shares, the fund by-laws may accept investments, repayments and redemptions in receivables.

- **Former § 1 renumbered by CVM Instruction 393, of July 22 2003**

Paragraph 3. - For the purposes of paragraph 1 of this article and while the Provisional Contribution on the Operation or Transfer of Cash, Credits and Financial Rights (*Contribuição Provisória sobre a Movimentação ou Transmissão de Valores e de Créditos e Direitos de Natureza Financeira* - CPMF) is in effect, the investments, repayments and redemptions in receivables shall follow the procedures below:

I. - shares shall be paid up through any fund transfer procedure authorized by the BACEN, concurrently with the assignor's sale of receivables at a value equivalent to the net amount paid up, in the manner and at the ratio set out in the fund by-laws and other relevant provisions; and

II. - shares shall be repaid and redeemed through any fund transfer procedure authorized by the BACEN concurrently with the shareholder's purchase of receivables at a value equivalent to the net amount repaid or redeemed, in the manner and at the ratio set out in the fund by-laws and other relevant provisions.

- **§ 3 and items I and II as reworded by CVM Instruction 393, of July 22 2003**

Article 16. - Upon issuance of open-end fund shares, the share value effective on the same day or on the first business day after actual availability of the monies delivered by the investor to the managing institution in its headquarters or other premises shall apply, as provided for in the fund

bylaws.

- ***Caption as reworded by CVM Instruction 393, of July 22 2003***

Sole Paragraph - For determination of the number of shares to which an investor is entitled, the sum delivered to the managing institution shall be reduced by the fees or expenses provided for in the fund bylaws.

Article 17. - Under the issue of closed-end fund shares for placement with the public, the subscription price may include a premium or a discount on the amount intended for repayment, provided it is consistently applied to all subscribers and determined by means of a price discovery procedure under an organized market.

- ***Caption as reworded by CVM Instruction 393, of July 22 2003***

Sole Paragraph - The shares in the closed-end fund placed with investors shall be registered for secondary trading on stock exchanges or in over-the-counter markets, and the agent shall verify that shares are purchased solely by qualified investors (NR).

- ***Sole paragraph as reworded by CVM Instruction 393, of July 22 2003***

Article 18. - Repayment and redemption of shares shall be carried out within the period set out in the fund bylaws.

Article 18-A. - The subordinate shares of open-ended funds may be redeemed before the redemption of the senior shares, provided a minimum term of sixty (60) days has elapsed as from the request for such redemption, and subject to the provisions of the by-laws of the fund.

Paragraph 1 - In the case described in the caption, no later than by the third business day after the receipt of the redemption request, the administrating institution shall give notice to the holders of the outstanding senior shares concerning the redemption request, the amount and the date on which the redemption is to take place, as provided in the by-laws. (NR)

Paragraph 2 - As from the notice referred to in the preceding paragraph, the holders of the outstanding senior shares may request the redemption of their shares, which must be completed before the respective redemption of the subordinate shares, at all times subject to the terms, conditions and procedures laid down in the by-laws.

- ***Art. 18-A and §§1 and 2 added by CVM Instruction 393, of July 22 2003***

Art. 18-B. - The amortization of subordinate shares in closed-end funds shall be allowed solely in the cases and according to the criteria to be defined in the by-laws, subject to the provisions of Art. 24 (XV).

- ***Art. 18-B added by CVM Instruction 393, of July 22 2003***

Article 19. - The fund bylaws shall state how shares will be redeemed during the holidays in the place where the managing institution is headquartered.

DISTRIBUTION OF CLOSED-END FUND SHARES

Article 20. - The public offer of closed-end fund shares shall be carried out in compliance with the provisions of CVM Instruction 400/03.

- ***Article 20 as reworded by CVM Instruction 442, of December 8 2006***

Paragraph 1. - Registration shall be automatically granted within a term of five (5) business days after the date on which the following documents and information has been filed with the CVM, to be presented on the occasion of every new distribution:

- ***§ 1 as reworded by CVM Instruction 442, of December 8 2006***

I - statement by the fund manager fund that it has contracted with an institution legally qualified to

perform the share distribution service, as the case may be;

II – information concerning the maximum and minimum number of shares to be distributed, the value of the issue, distribution costs and other relevant information concerning the distribution;

III – disclosure materials to be used under the distribution of the fund shares.

- **Item III as reworded by CVM Instruction 442, of December 8 2006**

IV – three (3) counterparts of the prospectus; and

- **Item IV as reworded by CVM Instruction 442, of December 8 2006**

V – any additional information to be made available to potential investors.

- **Item V added by CVM Instruction 442, of December 8 2006**

Paragraph 2. The closed-end fund may carry out a concurrent distribution of different classes and series of shares, at quantities and under conditions previously defined at the time of the announcement of the onset of the distribution of shares and in the fund prospect.

Article 21. – The distributions of shares of an open-end fund is not dependent on prior registration with the CVM and shall be carried out by brokerage institutions that are members of the securities distribution system.

- **Heading as reworded by CVM Instruction 442, of December 8 2006**

Paragraph 1 - The distribution of shares of open-end funds shall comply with the provisions of Art. 20 hereof, whenever the by-laws of the fund provide for:

I – A grace period for the redemption of shares in excess of thirty (30) days; or

II – A term for the payment of the value of the redemption of the shares in excess of the term referred to under the preceding Item I.

- **§ 1 included by CVM Instruction 442, of December 8 2006**

Paragraph 2 – The provisions of the preceding § 1 shall also apply to such cases in which the sum of the grace periods or of the terms for the payment of the redemption value exceeds thirty (30) days.

- **§ 2 included by CVM Instruction 442, of December 8 2006**

Article 22. – The acquisition of receivables assigned or originated by companies under the control of the Public Administration and which has not been provided for in the by-laws submitted to the CVM for the purpose of securing the registration of the fund, as per Art. 8 of this Instruction, will be subject to an amendment in the by-laws of the fund.

- **Heading reworded by CVM Instruction 442, of December 8 2006**

Paragraph 1 - The validity of the shareholder meeting deliberation to amend the by-laws as referred to in the caption of this Article 22 shall be subject to the prior approval of such amendment by the CVM, subject to the terms that apply to the registration process of the fund.

- **§1 included by CVM Instruction 442, of December 8 2006**

Paragraph 2 - The request for the approval of the amendment to the by-laws as referred to in the caption of this Article 22 shall include evidence of compliance with the following formalities:

I – in the case of a closed-end fund, the fund manager and the brokerage institution must include in the documents and information described under Art. 20 (1) the manifestation and, as the case may be, the authorization referred to under Art. 8 (8); and

II – in the case of an open-end fund, the fund manager must submit to the CVM the manifestation and, as the case may be, the authorization referred to under Art. 8 (8) at least five (5) business days in advance of the date on which the receivables referred to in the caption of this Article 22 are acquired.

- **§ 2 included by CVM Instruction 442, of December 8 2006**

PROSPECTUS

Article 23. – The prospectus shall be prepared in conformity with the provisions of CVM Instruction 400/03.

- **Caption reworded by CVM Instruction 442, of December 8 2006**

Paragraph 1. – An investor joining the fund as shareholder of an open-end fund or as a subscriber of a closed-end fund, shall confirm in writing, by means of a specific statement, to have received the prospectus and to be aware of the risks involved and of the investment policies of the fund.

- **§ 1 included by CVM Instruction 442, of December 8 2006**

Paragraph 2. – The fund manager of the fund shall keep the statement referred to in the preceding, duly signed by the investor, or registered in an electronic system ensuring compliance with § 1, at the disposal of the CVM.

FUND BY-LAWS

Mandatory Provisions in the Fund By-laws

Article 23-A. – The classification of the classes or series of shares by risk assessment agencies operating in Brazil shall be waived under the public offers for the distribution of shares in which:

I – the shares or share series issued by the fund are destined to a single shareholder or to a group of shareholders mutually bound by a single and indivisible interest;

II – the shareholder or the group of shareholders mutually bound by a single and indivisible interest signs a membership statement declaring they are fully aware of the risks involved in the transaction, including the possibility of a total loss of the invested capital and of the absence of a risk classification of the subscribed shares; and

III – the by-laws of the fund provide that, in the event of any future amendments for the purpose of allowing transfer to or trading with the shares on the secondary market, a prior registration with the CVM shall be mandatory, as provided under Article 2 (2) of the CVM Instruction 400/03, with the ensuing presentation of the risk classification report waived herein.

- **Article 23-A included by CVM Instruction 442, of December 8 2006**

Article 24. - The fund by-laws shall contain at least the following information:

I. - whether the fund is organized as a closed-end or open-end investment entity;

II. - the management fee or the method for determination thereof;

III. - the performance or incentive fee, if any, and a detailed description of the method for assessment thereof;

IV. - other fees and expenses;

V. - the investment policy, also detailing the eligibility criteria for receivables;

VI. - the conditions for issuance, trading, repayment and redemption of shares, including:

(a) the existence of more than one class or series of shares, in which case the features, rights and obligations inherent to each such classes and series shall be specified, and express reference must be made to the fact that senior shares have priority over junior shares for redemption purposes,

subject to the provisions of Article 18-A;

- **Item (a) as reworded by CVM Instruction 393, of July 22 2003**

(b) express reference must be made to the fact that senior shares in closed-end funds have priority over junior shares for repayment purposes, subject to the provisions of Article 18-A; and

- **Item (b) as reworded by CVM Instruction 393, of July 22 2003**

(c) the criteria for paying up, repayment and redemption of receivables, subject to the provisions of Article 18-A;

- **Item (c) as reworded by CVM Instruction 393, of July 22 2003**

VII. - the grace period and/or timing for share value updates, for redemption purposes (in open-end funds);

VIII. - the fund duration, which shall be definite or indefinite;

IX. - the criteria for disclosure of information to fund shareholders;

X. - information on:

(a) the type of receivables to be invested in, and the nature of legal instruments, contracts or other documents representing such receivables;

(b) a description of the procedures originating these receivables and the corresponding credit policies; and

(c) a description of the mechanisms and procedures for collection of receivables (including past-due receivables), and for receipt and payment/apportionment of collection expenses among the shareholders, if so determined in the fund by-laws;

XI. - reference to the existence of any third parties (coupled with the full name and particulars thereof) retained for:

(a) portfolio management services;

(b) advisory services; and

(c) custodial services.

XII. - the possibility of appointing a representative for the fund shareholders, pursuant to article 31 hereof;

XIII. - the methodology for appraisal of the fund assets.

XIV – the procedures to be adopted in the event the classification provided for under Art. 3 (III) hereof is lowered

- **Item(XIV inserted by CVM Instruction 393, of July 22 2003**

XV – the minimum ration between the net equity of the fund and the value of the senior shares, the frequency for finding and disclosing such ratio to the shareholders and the procedures to be applied if this factor is not complied with; and

- **Item XV inserted by CVM Instruction 393, of July 22 2003**

XVI – the events that entail accelerated liquidation of the fund, ensuring, if the shareholder meeting decides not to liquidate the fund, the redemption of the senior shares at their stated value to the dissenting shareholders that do so request;

- **Item XVI inserted by CVM Instruction 393, of July 22 2003**

XVII – authorization for the custodian to control substance by sampling, as the case may be, specifying the parameters relating to the diversity of debtors, quantity and average value of the credits to be considered for this purpose (see Art. 38 (1)).

• **Item XVII inserted by CVM Instruction 442, of December 8 2006**

Paragraph 1. - The investment policy shall specify:

- I. - an overview of the fund's activities, including the portfolio composition and diversification requirements, the credit and market risks, and other potential risks inherent thereto;
- II. - the segment in which the fund will act;

• **Item II as reworded by CVM Instruction 442, of December 8 2006**

- III. - the existence of potential investments that may put the fund's equity at risk;
- IV. - the existence of potential deals in which the managing institution may act as a counterparty;
- V. - the fact that investments in the fund are not secured by the managing institution or by the Credit Guarantee Fund (*Fundo Garantidor de Créditos* - FGC);
- VI. - the limits for fund investments in receivables owned and/or jointly secured by the managing institution, its controlling entity, companies directly or indirectly controlled thereby, affiliate companies, or other companies under common control.

Paragraph 2. - CVM may order changes in any provisions of the fund by-laws, whenever these provisions are not in line with the contents hereof.

Amendments to the Fund By-laws

Article 25. - Any amendments approved at the General Meeting of Shareholders shall take effect on the date in which the following documents are filed with CVM:

- I. - a list of shareholders present at the general meeting;
- II. - a copy of the minutes of the general meeting;
- III. - a copy of the fund by-laws, as amended and duly filed with the proper registry of deeds and documents;
- IV. - the prospectus reflecting such changes.

GENERAL MEETING OF SHAREHOLDERS

Scope of Authority

Article 26. - The General Meeting of Shareholders has exclusive authority to:

- I. - receive annual reports within a maximum period of four (4) months after the end of each fiscal period, and examine the fund's financial statements;
- II. - amend the fund by-laws;
- III. - resolve on the replacement of the managing institution;
- IV. - resolve on the increase in the management fee charged by the managing institution, including the return to original fees that had been previously lowered;
- X. - resolve on the merger, consolidation, spin-off or liquidation of the fund.

Sole Paragraph - As a result of statutory or regulatory precepts or at CVM's discretion, the fund by-laws may be amended outside of a general meeting, provided that notice of such change is made to the shareholders within thirty (30) days thereafter.

Article 27. - In addition to the annual meeting for the rendering of accounts, the general meeting may be called by the managing institution or by the shareholders representing at least five percent (5%) of the total outstanding shares.

Call Notice

Article 28. - General meetings shall be called by notice published in the periodical utilized for disclosure of information on the fund, or by letter against receipt addressed to each shareholder, stating the day, time and place of the meeting, as well as the agenda.

Paragraph 1. - General meetings shall be called at least ten (10) days in advance, considering the date of publication of the first call notice or mailing of letter against receipt to the shareholders.

Paragraph 2. - If the general meeting is not held, a second call notice shall be published or mailed by letter against receipt to the shareholders, at least five (5) days in advance.

Paragraph 3. - For the purposes of the preceding paragraph, the second call notice may be published together with the first call notice or letter.

Paragraph 4. - Unless in the event of force majeure, the general meeting shall be held at the place where the managing institution is headquartered; if the meeting is held elsewhere, the notices or letters addressed to the shareholders shall clearly state the place of the meeting, which shall by no means be held other than at the venue where its headquarters is located.

Paragraph 5. - Irrespective of the formalities set forth in this article, a general meeting held with the attendance of all shareholders shall be deemed valid for all due purposes and effects.

Procedures and Resolutions

Article 29. - At the general meeting, which shall be instated with the attendance of at least one shareholder, resolutions shall be passed by a majority of shares represented by the shareholders present, each of such shares carrying one vote, with due regard for the provisions of paragraph 1 below.

Paragraph 1. - Resolutions on the matters set forth in article 26, III through V hereof shall be taken at first call by a majority of outstanding shares, and at second call by a majority of shares held by the attendees.

Paragraph 2. - Only the fund shareholders, their legal representatives or attorneys-in-fact legally appointed less than one year beforehand shall be entitled to vote at general meetings.

Paragraph 3. - The managing institution and its employees shall have no right to vote in general meetings, except for a fund organized exclusively for such employees.

Paragraph 4. - If there is more than one class of shares pursuant to article 12 hereof, the fund by-laws shall provide for the exercise of the voting rights ascribed to each class of shares at general meetings.

Article 30. - Resolutions taken at general meetings shall be disclosed to the shareholders within thirty (30) days thereafter.

Sole Paragraph - The disclosure set forth in the main section of this article shall be made by notice published in the periodical utilized for disclosure of information on the fund or by letter against receipt addressed to each shareholder.

Election of Representatives for the Shareholders

Article 31. - The general meeting may appoint, at any time, one or more representatives to inspect and keep managerial control over the fund investments, in defense of the shareholders' rights and interests.

Sole Paragraph - The shareholders may only be represented by an individual or legal entity that:

I. - is a shareholder or a professional specifically retained to pursue the interests of the shareholders;

• ***Item I reworded by CVM Instruction 393, of July 22 2003***

II. - occupies no office or position in the managing institution, its controlling entity, companies directly or indirectly controlled thereby, affiliate companies, or other companies under common control;

III. - takes no position in the assignor of receivables that make up the fund portfolio.

ADMINISTRATION

General Provisions

Article 32. - The fund may be managed by a universal bank, commercial bank, the Federal Savings Bank, investment bank, credit, finance and investment company, brokerage firm, or securities dealership.

Sole Paragraph - Any change in the fund manager's data shall be reported to CVM within fifteen (15) days thereafter.

Duties of the Fund Manager

Article 33. - With due regard for the limits prescribed herein, the managing institution has the requisite powers and authority to perform all acts required for the fund management and to exercise the rights inherent to the receivables that make up the fund portfolio.

Article 34. - Among other duties, the managing institution shall:

I. - keep updated and in perfect order:

(a) the documents related to the fund operations;

(b) the record of shareholders;

(c) the book of minutes of general meetings;

(d) the shareholders' attendance book;

(e) the prospectus dealt with in article 23 hereof, in the case of an open-end fund;

• ***Item (e) reworded by CVM Instruction 442, of December 8 2006***

(f) the quarterly reports dealt with in article 8, paragraph 4 hereof;

(g) registration of all accounting facts relating to the fund;

(h) the independent auditor's opinions;

II. - receive any income or monies relating to the fund, whether directly or through an institution retained therefor, pursuant to article 39, III hereof;

III. - deliver a copy of the fund by-laws to the shareholder, free of charge, and advise him of the periodical in which information on the fund and on the management fee will be published;

IV. - disclose-at the timing set out in the fund by-laws, in the periodical referred to in the preceding item, and keep available at its headquarters and branches as well as in the placing institutions-the fund's net equity value, the share value, the yield accruing in the reference month and calendar year, and the reports issued by the credit rating agencies retained by the fund;

V. - defray the fund's advertising expenses;

VI. - provide the shareholders with annual accounting statements on the yield earned in the calendar year and, based on the data as of the last day of December, on the number of shares owned by the shareholder, and respective value;

VII. - without prejudice to compliance with the financial reporting requirements hereunder, keep separate analytical records with complete information on any and all transactions between the managing institution and the fund;

VIII. - provide for quarterly (or earlier) updating of the credit rating for the fund or for the receivables and other assets that make up the fund portfolio.

Sole Paragraph - The information set forth in item IV of this article may be disclosed through class entities representing the National Financial System institutions, provided that such information is published in a widely circulated newspaper, and without prejudice to the responsibility of the manager appointed under article 8 hereof for proper disclosure of such information.

Article 35. - The managing institution shall not:

- I. - tender sureties, *aval* guarantees, acceptances or other joint obligations for the fund operations, including as security for derivatives transactions;
- II. - use the assets issued or jointly guaranteed thereby as security for the fund operations;
- III. - make direct or indirect contributions to the fund in any way, except for acquisition of fund shares.

Paragraph 1. - The prohibitions dealt with in items I through III of this article shall be extensive to the own funds of individuals and legal entities controlling the managing institution, the companies directly or indirectly controlled thereby, affiliate companies, or other companies under common control, as well as to the assets that make up the respective portfolios and other assets issued or jointly secured thereby.

Paragraph 2. - The provisions of the preceding paragraph shall not apply to bonds issued by the National Treasury or the Central Bank of Brazil, credits securitized by the National Treasury, and state government bonds in the fund portfolio.

Article 36. - The managing institution shall not, on behalf of the fund:

- I. - tender sureties, *aval* guarantees, acceptances or any other joint guarantees, except as margin in derivatives transactions;
- II. - carry out trades and deal in financial assets or types of investment other than those set forth herein;
- III. - make direct investments abroad;
- IV. - acquire the fund's own shares;
- V. - pay or seek refund of fines for noncompliance with the rules set forth herein;
- VI. - sell fund shares on credit;
- VII. - sell fund shares to financial institutions and leasing companies acting as assignors of receivables, except for the shares subordinated to other classes for redemption purposes;
- VIII. - promise preset earnings to shareholders;
- IX. - make, in its advertising or other materials offered to investors, any promise of earnings or income based on the past results of the managing institution itself or of third parties, or on the past performance of financial assets or other types of investment available on the financial market;
- X. - delegate its portfolio management powers, unless otherwise stated in article 39, II hereof;
- XI. - enter into borrowing or loan transactions, except being made for the acknowledgment of credits and the assumption of liabilities as a result of derivatives transactions;
- XII. - lease, loan, pledge or give in escrow the rights and other assets that make the fund portfolio, except for use thereof as margin in derivatives transactions.

Replacement of the Fund Manager

Article 37. - Upon notice published in the periodical utilized for disclosure of information on the fund or by letter against receipt addressed to each and every shareholder, the managing institution may resign from its position as fund manager, provided that a general meeting is concurrently called to resolve on its replacement or on liquidation of the fund, as provided for herein.

Sole Paragraph - In the events of replacement of the managing institution and liquidation of the fund, the rules in effect for civil or criminal liability of directors, executive officers and managers of financial institutions shall also be observed to the extent applicable, without prejudice to the rules on civil liability of the managing institution itself.

CUSTODIAN

Article 38. - The custodian shall:

- I. - receive and review the documents supporting the financial, commercial and service transactions underlying the receivables;
- II. - validate the receivables vis-à-vis the eligibility criteria set forth in the fund by-laws;
- III. - arrange for physical delivery and financial settlement of the receivables evidenced by the instrument of assignment of rights and other supporting documents;
- IV. - arrange for custody, management, collection and/or safekeeping of the documents relating to receivables and other assets that make the fund portfolio;
- V. - maintain in perfect order, at its own expense, updated documentation relating to the receivables, based on predetermined methodology and readily available to independent auditors, the credit rating agency retained by the fund, and regulatory agencies; and

- **Former Item VI renumbered as Item V by CVM Instruction 393, of July 22 2003**

VI. - charge and receive, for the account and at the order of its clients, any payments, redemption values, or any other earnings from the instruments held in custody, depositing the respective proceeds in the deposit accounts of such clients.

- **Former Item VII renumbered as Item VI by CVM Instruction 393, of July 22 2003**

Paragraph 1 - Funds in which there is a relevant amount of receivables assigned and a major diversification of debtors, the custodian may carry out a check on the substance of the receivables to which Item I refers by means of sampling procedures, provided this possibility has been included in the by-laws of the fund.

Paragraph 2 - In the case described under the preceding § 1, the quantity parameters of the assigned receivables and for the diversification of debtors that will entail check of substance by sampling procedures must be expressly stated in the by-laws and in the prospectus of the fund.

Paragraph 3 - In the case described under the preceding § 1, if the limited average value of the receivables should not justify conducting check by sampling procedures, the by-laws of the fund may exempt the custodian from this duty.

- **§ 4 revoked by CVM Instruction 458, of August 16 2007**

Paragraph 5 -

- **§§ 1-5 included by CVM Instruction 442, of December 8 2006**
- **§ 5 reworded by CVM Instruction 458, of August 16 2007**

THIRD-PARTY SERVICES

Article 39. - Without prejudice to its own liability and that of its officer or managing partner in charge, the managing institution may retain the following services, by resolution of the general meeting of shareholders or as expressly provided for in the fund by-laws:

- I. - advisory services for analysis and selection of receivables and other assets to make up the fund portfolio;
- II. - portfolio management services from duly identified third parties, as per Attachment II hereto; and
- III. - custodial services.

Paragraph 1. - The management powers referred to in item II of this article are only delegable to legal entities domiciled or headquartered in Brazil, irrespective of their status as members of the

National Financial System.

Paragraph 2. - If the fund manager is not accredited with CVM for the rendering of custodial services, an accredited institution shall be retained for this specific task.

- **§ 2 reintroduced with its original wording by CVM Instruction 446, of December 19 2006**

Paragraph 3. - Any change in the portfolio manager's record data shall be reported to CVM within fifteen (15) days thereafter.

PORTFOLIOS

FIDC Portfolio

Article 40. - Effective ninety (90) days from commencement of the fund activities, at least fifty percent (50%) of its net equity shall be invested in receivables. The CVM may, at its sole discretion, extend this term for an identical period, provided the fund manager submits reasons that can justify such extension.

- **Heading as reworded by CVM Instruction 393, of July 22 2003**

Paragraph 1. - With due regard for the main section of this article, FIDC may invest the remaining net equity in bonds issued by the National Treasury or the Central Bank of Brazil, credits securitized by the National Treasury, state and municipal government bonds, bank deposit certificates and receipts, and fixed-income securities, bonds and assets other than shares in the Social Development Fund (*Fundo de Desenvolvimento Social – FDS*).

Paragraph 2. - In addition, FIDC may:

- I. - enter into repurchase agreements; and
- II. - trade in derivatives to hedge its cash positions, up to the limit thereof.

Paragraph 3. - For the purposes of item II of the preceding paragraph:

- I. - transactions may be carried out both in markets administered by commodities and futures exchanges and in over-the-counter markets, provided that duly registered in asset registration and clearing systems authorized by the Central Bank of Brazil;
- II. - the expenses actually incurred with non-cash margins, daily mark-to-market arrangements, premiums and operational costs to maintain positions in organized derivatives markets, including the net transaction values, shall be taken into consideration for calculation of the fund's net equity value.

Paragraph 4. - The receivables and other assets that make up the fund portfolio shall be held in custody, as well as registered and/or posted in a deposit account directly in the fund's name, in accounts specifically opened at the Special Clearing and Custodial System (*Sistema Especial de Liquidação e Custódia – SELIC*), in asset registration and clearing systems authorized by the Central Bank of Brazil, or in institutions or entities duly authorized by the Central Bank of Brazil or CVM to render these specific services.

Paragraph 5. - The provisions of the preceding paragraph shall not apply to the fund's investments in financial investment funds or in funds for investment in financial investment fund shares.

Paragraph 6. - The fund may have unregistered receivables in its portfolio, pursuant to paragraph 4 of this article, for a period of one hundred and eighty (180) after this Instruction comes into force.

Paragraph 7. - The fund will only be allowed to invest in fixed-income securities if CVM has authorized the managing institution (or legal entity vested with management powers under article 39, II hereof) to exercise the activity dealt with in article 23 of Law No. 6385 of December 7, 1976.

Paragraph 8. - Without prejudice to the provisions of CMN Resolution No. 2801 of December 7, 2000 and to paragraph 4 of this article, the fund's investments in warrants or commercial contracts for the purchase and sale of products, goods and/or services for future delivery or performance, as well as in instruments or certificates representing such contracts, shall be secured by a financial institution or insurance company, in the latter case as provided for in specific regulations issued by the Private Insurance Authority (*Superintendência de Seguros Privados – SUSEP*) for the purpose of securing the automatic registration provided for under Art. 8 (1) of this Instruction.

• **§ 8 reworded by CVM Instruction 393, of July 22 2003**

• **§§ 9, 10 and 11 revoked by CVM Instruction 446, of December 19 2006**

Art. 40-A. – The fund may acquire receivables and other assets from the same debtor, or co-liabilities of a same person or entity, up to a maximum of twenty per cent (20%) of its net assets.

Paragraph 1 - The percentage referred to in the caption may be increased if and when the debtor or the co-debtor:

I – is registered as a public corporation

II – is a financial institution or an equivalent thereto, duly authorized to operate by the Central Bank of Brazil, or

III – is a company the financial statements of which for the fiscal year immediately preceding the date on which the fund was set up were prepared in conformity with the provisions of Law 6404, of December 15 1976, and with the regulations issued by the CVM, duly audited by an independent auditor registered with the CVM, subject, however, to the provisions of § 3 of this Article 40A.

Paragraph 2 – In the case described under § 1 (III) of this Article 40-A, the financial statements of the debtor or co-debtor and the respective opinion of the independent auditor must be filed with the CVM by the managing institution, and must be updated on a yearly basis:

I – up to the date on which the fund is closed; or

II – up to the fiscal year in which the receivables for which the debtor or co-debtor is liable no longer represent more than twenty per cent (20%) of the receivables in the assets of the fund.

Paragraph 3 – The filing with the CVM of the financial statements and of the opinion of the independent auditor, as referred under § 1 (III) hereinabove, shall take place no later than three (3) months after the closing of the fiscal year, or on the same date on which it is placed at the disposal of the shareholders, if on any preceding date.

Paragraph 4 - As for the companies (*sociedades empresariais*) responsible for more than twenty per cent (20%) of the receivables that are part of the assets of the fund, these shall be exempted from filing with CVM and preparation of financial statements as referred under § 1 (III) hereinabove, provided the shares of the fund:

I – are the object of a public offer for distribution, the intended public is solely made up of companies pertaining to the same economic group and their respective managers and controlling shareholders, no trading of the shares on the secondary market being permitted; or

II – have a unit value equal to or in excess of one million reais (R\$ 1 million) and are the object of a public offer destined for subscription by not more than twenty (20) investors.

Paragraph 5 – In the case described under § 4 (II) of this Article 40-A, the subscribed shares may only be traded by the holder before the completion of a period of eighteen (18) months following the closing of the distribution, if the trading is carried out between the shareholders or, if the shareholder disposes of all of its subscribed shares to a single investor.

Paragraph 6 - The brokerage institution must ensure compliance with the provisions of §§ 4 and 5 of this Article 40-A in any trading of the shares on the secondary market.

Paragraph 7 - For the purposes of the provisions of this Article 40-A, the debtor or co-debtor includes its controlling shareholder, the companies under direct or indirect control of the debtor or co-debtor, its affiliates and companies under common control.

• **Art. 40-A included by CVM Instruction 442, of December 8 2006**

Paragraph 8 - The percentages stated in this Article 40-A must be complied with daily, based on the net equity of the fund on the immediately preceding business day.

• **§ 8 included by CVM Instruction 446, of December 19 2006**

Art. 40-B – The provisions set forth under Article 40-A as applicable to the receivables on account of their debtors and co-debtors, shall also be complied with in relation to the originators of the receivables referred to under Article 40, § 8, of this Instruction, if they are not guaranteed by a financial institution or insurer.

- **Art. 40-B included by CVM Instruction 442, of December 8 2006**

FICFIDC Portfolio

Article 41. - The institutions listed in article 32 hereof may organize and manage an investment fund intended to acquire shares in receivables investment funds, with due regard for the minimum investment requirement of ninety-five percent (95%) of its corresponding net equity.

Sole Paragraph - The organization and operation of the fund dealt with in this article, which shall be referred to as fund for investment in receivables investment fund shares, shall be subject to the rules contained herein, to the extent applicable, with due regard for the following:

I. - the remaining five percent (5%) of its net equity may be invested in:

(a) bonds issued by the National Treasury or the Central Bank of Brazil, and credits securitized by the National Treasury;

(b) fixed-income securities issued or accepted by financial institutions;

(c) repurchase agreements;

II. - investments in the shares of one same fund cannot exceed twenty-five percent (25%) of FICFIDC's net equity; however, this cap may be disregarded if so admitted in the investment policy section of the fund by-laws;

III. - the fund-related information set out in article 45 hereof shall be limited to the fund's net equity and share value on the last business day of the reference month, as well as overall investments and redemptions during the month; such information shall be disclosed to CVM as determined thereby, on or before the third business day after the end of each month.

FINANCIAL STATEMENTS

Article 42. - The fund shall keep separate accounting systems and procedures.

Article 43. - The fiscal period of the fund shall be one calendar year, and the yearend date shall be set in the respective by-laws.

Article 44. - The annual financial statements of the fund shall be subject to the accounting rules issued by CVM, and shall be audited by an independent auditor registered with CVM.

Sole Paragraph - Until CVM issues the rules referred to in the main section of this article, the provisions of the Central Bank of Brazil's Accounting Plan for Institutions of the National Financial System (*Plano Contábil das Instituições do Sistema Financeiro Nacional* - COSIF) shall apply.

CVM's REPORTING REQUIREMENTS

Article 45. - The following information on the fund shall be monthly reported by the managing institution to CVM over the Document Forwarding System available on the Internet homepage of the Commission, according to the model available on the said page, subject to the term of fifteen (15) days after the closing of each calendar month, based on the last business day of such month:

I. - the investment balance;

II. - the net equity value;

III - the profitability determined during the period

IV. - the share value and number of outstanding shares;

- V. - the receivables portfolio results, including expected and actual performance data;
- VI. - derivatives positions; and
- VII. - number of shareholders.

Sole Paragraph . - Any change in the information dealt with in this article shall be reported to CVM by the first (1st) business day thereafter.

- **Article 45 reworded by CVM Instruction 435, of July 5 2006**

DISCLOSURE AND REMITTANCE OF DOCUMENTS

Article 46. - The managing institution shall make full and prompt disclosure of any material act or fact related to the fund, in order to ensure that all shareholders will have proper access to information that may have a direct or indirect bearing on their investment decision, as the case may be.

Paragraph 1. - Without prejudice to other events relating to the fund, relevant facts include the following:

I - any change in the risk ranking of classes or series of shares, as well, as the case may be, of the other assets included in the respective portfolio;

II - the change or replacement of third parties retained to provide custody, specialized consultancy or management services for the fund portfolio (Art. 39);

III - the occurrence of subsequent events that affect or may affect the criteria for the composition and the limits on diversification of the fund's portfolio, as well as the behavior of the receivables portfolio, in terms of the payment record;

IV - the occurrence of delays in the distribution of revenues to the fund shareholders.

- **§ 1 as reworded by CVM Instruction 442, of December 8 2006**

Paragraph 2. - The information set forth in this article shall be published in the periodical utilized for disclosure of information on the fund, and shall be made available to the shareholders at the headquarters and branches of the managing institution as well as at the placing institutions.

Paragraph 3. - The managing institution shall make the publications dealt with herein always in the same periodical; any change shall be preceded by notice of this fact to the shareholders.

Article 47. - Within a maximum period of ten (10) days after the end of each month, the managing institution shall make the following information available to shareholders, at its headquarters and premises:

I. - the number of shares per shareholder, and respective value;

II. - the fund yield as of the last day of the reference month;

III. - the results of receivables and other assets in the portfolio, including the expected and actual performance thereof.

Article 48. - The managing institution shall make the fund's financial statements available to any interested party upon request, within the following maximum periods:

I. - twenty (20) days after the end of the reference period (for monthly financial statements);

II. - sixty (60) days after the end of each fiscal period (for annual financial statements).

Sole paragraph - The fund manager shall send to the CVM over the Document Forwarding System available on the Internet homepage of the Commission the information requested under Items I and II above, according to the models available on the said page, and subject to the same terms.

- **Sole paragraph included by CVM Instruction 435, of July 5 2006**

Article 49. - The information or any other advertising material relating to the fund shall not be in disagreement with the fund by-laws and prospectus filed with CVM.

Sole Paragraph - If the advertising material has any inaccurate or improper statements that may lead investors into misjudgment, CVM may order the publication of proper corrections or clarifications, in equal size, through the medium utilized for publication of the original advertising material, duly accompanied by a warning that said correction or clarification is being republished at CVM's order.

Article 50. - Every information disclosed by whatever means and making express reference to the fund yield shall:

- I. - mention the date of commencement of the fund operations;
- II. - refer to at least one (1) calendar month, wherefore the disclosure of yields at a shorter period shall be prohibited;
- III. - cover at least the latest three (3) years or the period since the fund inception (if shorter);
- IV. - be accompanied by the value corresponding to an arithmetic averaging of the fund's net equity as of the last business day of each month, over the latest three-year period or since the fund inception (if shorter);
- V. - state, in every advertising material, the fund's ranking accorded by the credit rating agency, coupled with directives on how to obtain further information on such rating procedures.

Article 51. - If fund-related information is compared to the results of other funds in advertising materials, the dates, periods, source of information, comparative criteria and whatever else is necessary for proper assessment shall be disclosed in the same material.

Article 52. - Every disclosure of yield results shall inform, as the case may be, the exit or performance fees reducing the share value or the number of shares upon redemption, also stating the value and method for calculation of such fees.

Article 53. - Whenever the advertising material provides information on yield returns at past periods, the following warning shall be placed in a conspicuous manner:

- I. - past performance levels is not a guarantee of future returns; and
- II. - fund investments are not secured by the fund manager or by the Credit Guarantee Fund (*Fundo Garantidor de Créditos* - FGC).

Article 53-A. - The fund manager shall concurrently send to the CVM counterparts of any notices relating to the fund and disclosed to shareholders or to any third parties.

- **Article 53-A included by CVM Instruction 435, of July 5 2006**

GENERAL RULES

Article 54. - A shareholder status is characterized by the opening of a deposit account in the investor's name.

- **Article 55 revoked by CVM Instruction 442, of December 8 2006**

Article 56. - In addition to the management fee and a performance or incentive fee set forth in the corresponding by-laws, the fund shall bear:

- I. - the federal, state, municipal and quasigovernmental fees, taxes or contributions levied on the fund's assets, rights and obligations at any time;
- II. - the expenses incurred with printing, forwarding and publication of reports, forms and periodical information as prescribed in the fund by-laws or under applicable laws;
- III. - the expenses with correspondence in the fund's interest, including notices to the shareholders;

- IV. - the fees and expenses incurred by the auditor in charge of auditing the fund's financial statements and reports, as well as of analyzing the conditions of both the fund and its managing institution;
- V. - fees and commissions paid on the fund's operations;
- VI. - lawyer's fees, costs and expenses incurred in defense of the fund's interests in and out of court, including court awards if the case is found against the fund;
- VII. - any expenses inherent to organization or liquidation of the fund, or to the holding of general meetings of shareholders;
- VIII. - custodial fees relating to the fund assets;
- IX. - the annual fee payable to the stock exchanges or organized over-the-counter market in which the fund shares are admitted for trading (for closed-end funds); and
- X. - expenses with the retaining of a credit rating agency.
- XI. - expenses with the professional specially retained to secure the interests of the shareholders, as provided under Article 31 (I). (NR)

- **Item XI added by CVM Instruction 393, of July 22 2003**

Paragraph 1. - Any expenses other than those attributable to the fund in this article shall be borne by the managing institution.

Paragraph 2. - The fund manager may establish that portions of the management fee will be paid by the fund directly to contractors, provided that the aggregate portions do not exceed the total management fee provided for in the fund by-laws.

Article 57. - The documents relating to the following acts inherent to the fund shall be filed with CVM by the managing institution, within a maximum period of ten (10) days from their occurrence:

- I. - any amendment to the fund by-laws;
- II. - replacement of the managing institution;
- III. - merger;
- IV. - consolidation;
- V. - spin-off;
- VI. - liquidation.

Article 57-A. - In the event of any form of liquidation of the fund, the independent auditor shall issue and opinion on the statement of changes in net equity, comprising the period extending from the date of the latest audited financial statements and the date of the actual liquidation of the fund, expressing its opinion on the transactions that have occurred under the period.

Sole paragraph - After the assets have been partitioned, the fund manager shall cancel the registration of the fund, by forwarding the following documents to the CVM within a maximum term of fifteen (15) days:

- I - the closing statement signed by the fund manager in the event of full payment to the shareholders, or the minutes of the shareholder meeting deliberating on the liquidation of the fund, as the case may be;
- II - the statement of the changes in net equity referred to in the heading of this Article 57-A, together with the opinion of the independent auditor; and
- III - the voucher evidencing that a request for the cancellation of the CNPJ registration has been filed.

- **Art. 57-A added by CVM Instruction 442, of December 8 2006**

Article 58. - If the rules set forth herein are breached, CVM may order the reinstatement of a general meeting of shareholders to resolve on either of the following alternatives:

I. - transfer of the fund management to another institution; or

II. - liquidation of the fund.

Article 59. - Without prejudice to the liability of the managing institution or of the officer or managing partner in charge, advisory boards may be set up at the initiative of the shareholders or of the managing institution itself; the compensation of these advisory boards cannot be charged to the fund's expense account.

Article 60. - For the purposes hereof, the electronic mail shall serve as a valid means of communication between the managing institution and the shareholders.

Article 60 – A. – The CVM may authorize specific procedures and may waive compliance with provisions set forth in this Instruction by the FIDC's related to social credit or to micro, small and medium companies.

- **Article 60-A added by CVM Instruction 393, of July 22 2003**

PENALTIES

Article 61. - For the purposes of article 11, paragraph 3 of Law 6385/76, a breach of the rules set out in articles 8, V and VI, 13, 32, 34 through 36, 38, 42, 49 and 56, paragraph 1 of this Instruction shall operate as a material breach.

Article 62. - Failure to comply with the provisions of articles 6, 8, 10, 11, 13, 14, 17, 23, 30, 32, 34 through 36, 38, 40 through 42, 44 through 53, 55, 56, paragraphs 1 and 2, and 59 of this Instruction shall be construed as an objective breach subject to summary administrative proceedings.

Article 63. - Without prejudice to the provisions of article 11 of Law 6385/76, the fund manager shall pay a daily fine of two hundred reais (R\$ 200,00) for noncompliance with the deadlines set forth herein, accruing as from the first business day thereafter.

Article 64. - CVM may hold other officers, employees and agents of the managing institution or the portfolio manager liable for noncompliance with the provisions hereof.

FINAL PROVISION

Article 65 – This Instruction becomes effective on the date it is published in the Federal Gazette.

Original signed by

José Luiz Osório de Almeida Filho

Chairman

ATTACHMENT I

STATEMENT

We hereby represent, under penalty of liability for perjury, that the by-laws of [fund name] are in keeping with applicable laws.

Moreover, we undertake to comply with the provisions of CVM Instruction 356/01 and to take the actions necessary to meet any requirements made by CVM.

Managing Institution

ATTACHMENT II

Record Form for the FIDC/FICFIDC Managing Institution or FIDC/FICFIDC Portfolio Manager

1. - Company Name:

2. - Trade Name:

3. - CNPJ:

4. - Headquarters Address:

City/State/CEP:

Phone and Fax:

5. - Address for Correspondence:

City/State/CEP:

6. - Officer or Managing Partner in Charge of FIDC/FICFIDC Fund Management or FIDC/FICFIDC Portfolio Management:

Name:

CPF:

E-mail: