



SECURITIES AND EXCHANGE COMMISSION OF BRAZIL

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CVM RESOLUTION No. 31, OF MAY 19, 2021

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It establishes rules and procedures for the provision of services by central securities depositories and revokes CVM Instruction No. 541, from December 20, 2013.

The **PRESIDENT OF THE BRAZILIAN SECURITIES COMMISSION** - CVM makes public that the Collegiate, at a meeting held on May 18, 2021, in view of the provisions of arts. 1º, item VI; 8, item I; and 24 of Law No. 6,385, of December 7, 1976, in arts. 41 and 293 of Law No. 6,404, of December 15, 1976, in Decree No. 7,897 of February 1, 2013, in the arts. 22-27 of Law No. 12,810, of May 15, 2013, as well as in the arts. 5th and 14th of Decree No. 10,139 of November 28, 2019, **APPROVED** the following Resolution:

CHAPTER I - SCOPE AND PURPOSE

Article 1 - This Resolution provides for the provision of services by central securities depositories (CSDs).

Sole paragraph. This Resolution:

I – does not apply to positions held in derivatives markets, except as provided for in Paragraph 4 of Art. 36; and

II - applies to financial letters and other instruments that in case of public distribution are subject to the competence of the CVM.

CHAPTER II - CENTRAL SECURITIES DEPOSITORIES (CSDs) SERVICES

Art. 2 The central securities deposit services shall be provided by legal entities authorized by CVM pursuant to this Resolution.

§ 1 - The central securities deposit services provided for in **this article** comprise the following activities:

I - the safekeeping of the securities by the CSD;

II – the ownership control of securities in the structure of deposit accounts held on behalf of investors;



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III – the imposition of restrictions on the practice of acts of disposal of securities, by the final investor or by any third party, outside the environment of the CSD; and

IV – the handling of the transfer orders and the events on the securities deposited, with the corresponding records in the deposit accounts.

§ 2 - Securities deposited in central securities deposit accounts are represented and transferred only in the form of book-entry records made in such accounts.

§ 3 - Investors, for the purposes of this Resolution, are the natural or legal person, the investment fund, the investment club, or the non-resident investor, on behalf of which securities transactions are carried out and which, as clients of custodians, maintain an indirect relationship with the CSD.

Art. 3 The CSD shall conduct its activities with probity, good faith, diligence, and loyalty in relation to the interests of investors.

Sole paragraph. The CSD shall adopt all appropriate mechanisms to ensure the existence and integrity of the securities deposited in centralized deposit accounts.

Art. 4 º The deposit in CSDs is a condition:

I - for the public distribution of securities; and

II – for the trading of securities in the regulated securities markets.

Sole paragraph. The provisions of item I of **this article** shall not apply to the public distribution of:

I - shares of open-end mutual funds;

II – shares of unlisted closed-end funds not admitted to trading on secondary markets;

III – certificates of structured operations - COE not admitted to trading in a trading venue with a centralized and multilateral system ;

IV – securities issued by small and medium-sized companies distributed with exemption from registration of public offering through a crowdfunding platform, according to specific regulations;

V - audiovisual investment certificates - CAV; and

VI - Financial Bills - LF not admitted to trading in a trading venue with centralized and multilateral system .



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CHAPTER III - PARTICIPANTS OF THE CSD

Art. 5 º Are considered participants of the CSD:

I – as custodians, legal entities authorized by CVM to provide securities custody services, to investors or issuers, in accordance with the regulations in force;

II – as registrars, the legal entities authorized by CVM to provide the securities bookkeeping services, in accordance with the regulations in force; and

III – trading systems, clearing and settlement systems and other CSDs with which the central depository maintains a contractual relationship.

§ 1 - The CSD may create differentiated categories of participants for other types of agents using their systems, the access regime of which must be defined by the rules laid down in Art. 40.

§ 2 - The CSD shall have mechanisms for direct contact with issuers for cases of centralized deposit of securities when:

I - there are no authorized registrars according to the regulation in force;

II - there are no custodians providing services to issuers; or

III - direct bookkeeping by issuers is permitted.

§ 3 - The relationship between two or more CSDs may be established through:

I - reciprocal participation, as described in the item III of **this article**; or

II - interoperability mechanisms.

§ 4 - In the cases referred to in Paragraph 3, the CSDs concerned shall define rules and procedures to ensure:

I – that the transfer of securities between CSDs should be conducted in a timely manner, in view of the interest of investors; and

II - the effectiveness of the reconciliation processes provided for in this Resolution and the traceability of the transfers.

§ 5 - CVM must approve in advance:

I - the rules and procedures referred to in Paragraph 4; and

II – the schedule, presented by the CSDs involved, for the constitution of the bonds with each other.



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Article 6 The CSD shall immediately inform the CVM of the suspension, exclusion, or closure of activities of participants.

CHAPTER IV - AUTHORIZATION FOR THE PROVISION OF CSD SERVICES

Section I - Registration Requirements

Art. 7 Legal entities, incorporated in the form of a stock company or association, which demonstrate financial, technical, and operational conditions, as well as internal controls and segregation of activities appropriate and sufficient to comply with the obligations set out in this Resolution, may apply for authorization for the provision of CSD services.

Article 8 The entity acting as CSD may, if previously authorized by CVM, conduct other activities, provided that they are compatible with the CSD services.

Article 9 The legal entity interested in obtaining the authorization referred to in art. 7 shall:

I – present a study of economic and financial viability, accompanied by a proposal for minimum equity consistent with the activities developed and proof of the existence of the necessary resources and the sources of such resources;

II – have processes and electronic systems safe and suitable for the exercise of its activities, in order to allow the registration, processing and control of deposit accounts and positions maintained therein; and

III – present a document proving compliance with the Principles for Financial Market Infrastructures formulated by the Payments and Market Infrastructure Committee (CPMI) and the International Organization of Securities Commissions (OICV-IOSCO).

§ 1 - The proposed minimum assets, processes and systems provided for in **this article** shall be compatible with the size, characteristics, and volume of the applicant's liability transactions, as well as with the nature and species of securities deposited.

§ 2 - The applicant must meet the following requirements:

I – to provide and maintain adequate technological capacity and sufficient human resources that are technically capable of conducting the processes and operating the systems involved in the provision of CSD services, including the adoption of training programs;



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II – to establish and maintain controls and monitoring mechanisms that allow ensuring the safety and integrity of its equipment, facilities, and systems, with the creation of access controls, measures to protect the confidentiality of information and the adoption of other appropriate measures;

III – to ensure, permanently, the quality of its processes and electronic systems, measuring and keeping track of errors, incidents, and interruptions in its operations;

IV – to set up and maintain up-to-date operational manuals, the general description of the systems to be adopted in the provision of services, the flowchart of routines, the documentation of programs, quality controls, physical and logical safety regulations, and the list of securities eligible for deposit;

V - to establish and maintain a back-up structure regarding the information contained in its electronic systems;

VI - to have contingency plans to ensure business continuity and service delivery;

VII – to establish and maintain a structure for the safekeeping of securities with restricted access and verification and security mechanisms that ensure the integrity of these securities; and

VIII – to establish and maintain a structure that allows communication and exchange of information with the trading platforms, trading repositories, clearing and settlement of operations and with other CSD with which it maintains a link.

§ 3 - The Office of Market Surveillance - SMI shall define the form and minimum content of the document referred to in item III of **this article**, as well as the periodicity for its updating after obtaining the authorization.

Section II - Authorization Request

Art. 10. The application for authorization to provide CSD services must be forwarded to the SMI, upon submission of an application instructed with the documents described in Annex A.

Sole paragraph. The SMI may request additional information from the applicant and conduct any investigation it deems necessary.

Art. 11. Authorization is automatically granted if the application is not denied by SMI within 90 (ninety) days of its submission, by protocol.

§ 1 - The period referred to in **this article** may be interrupted only once if the SMI requests the applicant for additional documents and information. In this case, a new period of 90 (ninety) days start to run from the fulfillment of the requests.



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§ 2 – To the fulfillment of the requests referred to in § 1, a period of no more than 60 (sixty) days must be granted.

Section III - Rejection of The Application for Authorization

Art. 12. The application for authorization for the provision of CSD services shall be rejected if:

I – not instructed with the documents necessary for its assessment, or if the additional documents and information requested by the CVM are not provided within the period set out in Paragraph 2 of Art. 11, ;

II - false information is identified in the documents submitted;

III – inaccurate information is identified in the documents submitted, which, by their extent or content, prove relevant to the assessment of the application for authorization;

IV – the applicant does not have the human, technical and material resources, or adequate financial resources to provide the services or to meet the provisions of this Resolution; or

V – the applicant ceases to meet any other requirement or condition set forth in this Resolution.

Section IV - Cancellation of Authorization

Art. 13. The authorization granted may be cancelled:

I - at the request of the CSD;

II – by decision of the CVM, after administrative proceedings in which the right of a full and complete defense and right to be heard are ensured, in the following cases:

(a) where it is found that the authorization to provide CSD services was obtained by means of false declarations or other unlawful means; or

b) when it is evidenced that the CSD does not meet the requirements and conditions set forth in this Resolution;

III – where bankruptcy, judicial or extrajudicial liquidation or dissolution of the CSD is declared;

IV – when merging, incorporating, or splitting in which no prior authorization is obtained for the continuity of the provision of CSD services in the form of this Resolution; and



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V – when the CSD does not start its activities within the period established in its application for authorization or if it suspends its activities without an acceptable reason for a period considered relevant by the CVM.

§ 1 - In the case provided for in item I of **this article**, the CSD shall submit to the CVM:

I - application containing its justifications;

II – transition plan for the custody and control of securities deposited for another CSD or, as the case may be, transfer plan for the issuer or its registrar, or, in the case of documentary assets, for custodians; and

III - report of the independent audit firm relevant to the interruption of services.

§ 2 - In the event of cancellation of authorization that deals with items II to V of this article the CSD must submit to the CVM, within the period established by it, a transition plan, with a view to transferring to another CSD data and documents related to the services provided until the time of cancellation.

§ 3 - The plans presented in the form of §§ 1 and 2 shall, in any case, be approved, prior to their implementation, by the CVM, which must also establish the appropriate monitoring mechanisms.

Art. 14. The procedure referred to in item II of art. 13 **of this article** shall observe the following procedure:

I – the SMI, after examining the evidence it deems necessary, shall summon the CSD to submit a reply within 15 (fifteen) days, extendable for a maximum of ten (10) days, indicating, in the subpoena:

a) that the process may result in the cancellation of authorization in the form of this Section;

(b) the authorization which may be cancelled under the proceedings; and

c) in detail, the failures, or omissions of the CSD, among those described in item II of art. 13 **of this article**;

II – the centralized securities deposit service provider, within the time limit for reply, may:

a) challenge the claims of the SMI or justify the need for the adoption of the measures determined by it;

b) request a deadline, not exceeding 60 (sixty) days, to comply with the requirements formulated or supply of the deficiencies pointed out by the SMI;

III – The SMI, within ten (10) days, shall decide:



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- (a) accepting the allegations of the CSD;
- b) granting the time requested to comply with the requirements formulated or supply of deficiencies; or
- (c) cancelling the authorization for the provision of CSD services.

§ 1 - The decision referred to in paragraph III(c) may be appealed to the CVM Board of Commissioners, within 15 (fifteen) days, with suspensive effect.

§ 2 - The CVM Board shall decide the appeal in a maximum of five (5) ordinary sessions after its distribution to the Reporting Commissioner.

§ 3 - The sanctioning proceedings against administrators, controlling partners or other responsible for the CSD, based on the same facts that give rise to the process that deals with item II of **this article** of art. 13, cannot be initiated before the final decision of art. 13.

§ 4 - The procedure referred to in item II of **this article** at Art. 13 must necessarily be preceded by at least one subpoena, with a period of at least 30 (thirty) days for fulfillment, in which the SMI indicates the measures it deems necessary to be adopted by the CSD.

CHAPTER V - PROCEDURES RELATING TO ACTS DEPENDENT ON PRIOR APPROVAL

Art. 15. Without excluding other matters provided for in this Resolution, they are subject to the prior approval of CVM to produce effect:

- I – the regulations of operations of the CSD, referred to in Art. 45; and
- II - the access rules of the participants, referred to in Art. 40.

§ 1 - In the matters covered by this article, the deadline for approval by CVM is 20 (twenty) working days from the date of submission of the respective application, or the provision of clarifications or additional information requested by CVM.

§ 2 - After the fulfillment of requirements, which can be formulated only once, with a maximum period of ten (10) working days for compliance, CVM has a period of ten (10) working days to express itself, counted from the submission of the respective application or the provision of clarifications or additional information requested.



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§ 3 - If the CVM does not manifest itself on the request or fulfillment with the requirements within the deadlines referred to in Paragraphs 1 and 2 of this article, the documents submitted are considered approved.

§ 4 - The provisions of this article do not apply to changes arising from the determinations of other public bodies, in relation to matters not covered by the legal competence of the CVM.

CHAPTER VI - REGIME APPLICABLE TO INFORMATION

Section I - Information Detention Scheme

Art. 16. The CSD shall maintain a centralized information system that allows the identification of the investor and the updating of the registration information provided by the custodian who provides services to the investor.

Sole paragraph. It is the responsibility of the custodian who provides services to investors to ensure the veracity and updating of the information of investors contained in the system referred to in this **article**, in accordance with the rules and procedures established by the CSD.

Art. 17. The CSD and the other participants, who, due to their activities have access to such information, must, in the form of the legislation in force, maintain confidentiality as to the securities belonging to each investor.

Section II - Providing Information

Art. 18. The CSD shall provide issuers, custodians of issuers, and registrars, as appropriate, with the list of centralized securities in deposit and their respective holders in order to ensure compliance with duties before investors.

Art. 19. The CSD shall make available or send, as the case may be, to investors information that allows the identification and verification of events occurring with the securities, containing, at least, the consolidated position of securities, their movement and the events affecting the investor's position.

§ 1 - The information provided for in this **article** shall be made available or sent, as the case may be:

I - until the 10th (tenth) working day of the month following the end of the month in which there are changes in the deposit account; and



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II – when requested by the custodian, to make possible for the investor to present himself or be represented before the issuer of the securities of his property or before any third party, within 5 (five) working days of the request, provided that referring to the current year.

§ 2 - By the end of February of each year the information provided for in this **article** relating to the previous year must be made available or sent to the investor, who may expressly give up its receipt.

§ 3 - The information provided for in this **article** may be made available or sent in one of the following forms, according to the CVM's decision, in the form of § 5:

I - consultation of electronic system with restricted access in the worldwide network of computers;

II - sending to the e-mail address of the investor contained in the system maintained by the central depository, with recognized security standards; or

III - sending to the postal address of the investor contained in the system maintained by the CSD.

§ 4 - For the provision of statements in the form of paragraph 3 (II) and (III), the postal or electronic address of the custodian itself may only be used in the case of statements from its own account, accounts of its directors and employees and fund accounts, investment clubs, non-resident investors or other entities under its discretionary management.

§ 5 - The decision referred to in Paragraph 3 shall be taken by the CVM, when authorizing the provision of CSD services.

§ 6 - In cases where the CSD also acts as a trade repository for derivative transactions, the consolidated positions arising from transactions conducted in the regulated market shall also be informed to investors in order to be approved by the CVM.

§ 7 - The provisions of this Article shall not apply to the transactions referred to in Paragraph 3 of Art. 33.

CHAPTER VII - RULES, PROCEDURES, AND INTERNAL CONTROLS

Section I - General Rules

Art. 20. The CSD shall adopt and implement:

I - appropriate and effective rules for compliance with the provisions of this Resolution; and



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

§ 1 - The rules, procedures and internal controls of this article shall be:

I - written; and

II - verifiable.

§ 2 - The absence or insufficiency of the rules, procedures and controls referred to therein, and their non-implementation or inadequate implementation for the purposes provided for in this Resolution will be considered non-compliance with the provisions of paragraphs I and II of **this article**.

§ 3 – It is evidence of improper implementation of internal rules, procedures, and controls:

I - the repeated occurrence of failures; and

II - the lack of registration of the application of the methodology in a consistent and verifiable manner.

Section II - Risk Management

Art. 21. The CSD shall maintain appropriate risk control systems for monitoring the risks inherent to its activities.

Sole paragraph. Risk control systems shall define appropriate procedures to ensure:

I – the regular functioning and security of the account system maintained by the central depository; and

II – the identification, management, and mitigation of significant risks to the operation of the CSD, including those arising from the provision of other services or the exercise of activities additional to the central securities deposit, as well as those arising from the its link to trading platforms, clearing and settlement systems and other CSDs.

Section III - Responsible Director

Art. 22. The CSD shall indicate:

I – a statutory director responsible for complying with the standards established by this Resolution; and



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II – a statutory director responsible for supervising the procedures and internal controls provided for in item II in art. 20 of this article.

§ 1 - The appointment or replacement of the statutory directors referred to in items I and II shall be informed to the CVM within seven (7) working days.

§ 2 - The functions referred to in items I and II of this article may not be cumulated by the same statutory director and may not be performed in conjunction with functions that may in any way be considered conflicting with them.

§ 3 - The directors referred to in paragraphs I and II of **this article** must act with probity, good faith, and professional ethics, employing, in the exercise of their duties, the care and diligence expected of a professional in his position.

Art. 23. The director referred to in article 22's item II shall, until the last working day of April:

I – forward to the board of directors of the legal entity providing CSD services report for the previous year, containing:

(a) the findings of the internal audit reports;

b) its recommendations regarding possible deficiencies, with the establishment of schedules for correction, when applicable; and

c) its manifestation regarding the deficiencies found in previous checks and the planned measures, according to specific schedule, or effectively adopted to address them; and

II – forward to the board of directors of the legal entity that provides CSD services and to CVM the report on the description, project, and operational effectiveness of controls (type 2), referring to the previous year, issued by an independent auditor registered with CVM, prepared pursuant to NBC TO 3402 approved by the Federal Accounting Council.

Sole paragraph. The report dealing with item I shall be available to the CVM at the headquarters of the CSD.

Section IV - Segregation of Activities

Art. 24. Activities relating to the provision of CSD services shall be independent of any other activities conducted by the same institution.

§ 1 - For the purposes of **this article** the CSD shall ensure:



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i– the physical segregation of facilities used for providing CSD services from the premises intended for providing other services, or, in the case of common use of installations, a clear and precise definition of practices ensuring the confidentiality of the information held on the basis of CSD activities;

II – the maintenance of the confidentiality of the information by all administrators, employees, and employees of the CSD, being prohibited the transfer of confidential information to unauthorized persons or to third parties who are not subject to the duty of confidentiality before the CSD; and

III – restricted access to electronic and physical files and the adoption of controls that restrict and identify people who have access to confidential information.

§ 2 - The obligations referred to in Paragraph 1 are applicable to the technological systems used in the provision of CSD services.

§ 3 - The systems referred to in Paragraph 2 may be of shared use in case of provision of related services, provided that the practices referred to in paragraph I of § 1 are observed.

Section V - Hiring third parties

Art. 25. The CSD may hire third parties to perform instrumental or ancillary tasks to the activities regulated by this Resolution.

§ 1 - The hiring of third parties, in the form provided for in **this article**, does not alter the responsibilities of the CSD, which remains responsible for the fulfillment of the obligations assumed before third parties and the provisions of this Resolution.

§ 2 - The CSD shall adopt appropriate rules, procedures, and internal controls to ensure security and mitigate conflicts of interest in the event of third-party hiring.

Section VI - Audit

Art. 26. The CSD shall maintain an internal audit structure.

§ 1 - The reports produced by the internal audit must be kept up-to-date and available to the CVM.

§ 2 The CVM may determine the conductionof specific extraordinary auditing procedures, if there is evidence that the processes and systems used are not meeting, or may not meet, their purposes.



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CHAPTER VIII - CONSTITUTION AND EXTINCTION OF THE CSD

Section I - Constitution of the CSD

Art. 27. The CSD is constituted by the transfer of fiduciary ownership of the securities, for the purpose of providing central securities deposit services, in the form of the CSD regulation.

Sole paragraph. Securities held in fiduciary ownership in the CSD do not include the net worth or special assets possibly held by the CSD itself and must remain registered in a deposit account on behalf of the investor.

Art. 28. The transfer of fiduciary ownership of the securities, pursuant to art. 27, is conducted:

I – upon registration made in the systems maintained by the CSD, directly by the issuer or the registrar, as the case may be, when the securities are book-entry; or

II – by means of the own transfer mechanisms of each security, according to its nature and in accordance with the regulation of the CSD, when the securities are issued in non-book-entry form.

§ 1 - In the case of item I of **this article**, the registration in the systems maintained by the CSD depends on the prior registration of the transfer in the books or in the systems of the issuer or registrar, as the case may be.

§ 2 - In the case of item II of **this article**, the securities issued in non-book-entry form shall be held in custody by an authorized custodian in the form of the applicable regulation, contracted by the issuer or other institutions responsible for placing the securities, which shall be subject to the minimum rules and procedures established by the CSD, including with regard to its right of access to securities.

§ 3 - The service referred to in Paragraph 2 may be provided by the CSD itself, when authorized to provide custody services in the form of the applicable regulations, or by custodian hired by him.

§ 4 - The provision of the services referred to in Paragraph 2 by the issuer of the securities or by the institution which, as the holder of the securities, distributes them to the market, shall be prohibited.

Art. 29. In the case of securities having as financial backing other securities, financial assets or contractual instruments, the CSD shall establish, in its regulation, appropriate rules, procedures and internal controls, intended to ensure:

I – that securities, financial assets or contractual instruments serving as backing are under custody or are safekept by a third party, in accordance with their nature and in the form of the applicable regulations,



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with the adoption of all necessary measures to ensure their existence and integrity, as well as effective control over their movements;

II - that securities, financial assets, or contractual instruments serving as backing is not held or stored, in the form of item I, by the same institution that originated them;

III– that the rights on securities, financial assets or contractual instruments serving as backing are not transferred to third parties; and

IV – their access to securities, financial assets and contractual instruments that serve as backing.

Art. 30. The deposit of securities on a CSD may be requested, depending on the nature of the securities, by:

I - the custodian who provides services to the investor;

II – the issuer of the securities, in accordance with the provisions of § 4 of art. 28; and

III – the holder of the security, when he is a participant in the CSD and has access to the corresponding systems, in accordance with the provisions of § 4 of art. 28.

Sole paragraph. The CSD shall establish, in its regulations, the operational procedures to be adopted in each of the hypotheses provided for in **this article** and the obligations and responsibilities of the participants or issuers in each of them.

Art. 31. After the transfer of securities to the CSD regime, the transfer and exercise of rights relating to those securities may only take place in accordance with the CSD rulebook.

Sole paragraph. It is for the CSD to establish rules, procedures, and controls designed to prevent transferring or exercising rights in securities that are deposited in non-conformity with the provisions of **this article**.

Section II – Extinction of the Centralized Securities Deposit

Art. 32. The central securities deposit and the fiduciary ownership of the CSD on the respective securities are extinguished with:

I – the withdrawal of the securities from the CSD arising from the investor's request, presented through its custodian, or in the other cases provided for in the CSD rulebook; or

II - the extinction of securities obligations.



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§ 1 - In the case of item I of **this article**, the CSD shall refund to the investor the number of securities deposited with the modifications resulting from the respective events incident on them, in compliance with the rules applicable to each case.

§ 2 - In the case of **this article**, item I, the transfer of the security to the investor is conducted:

I – upon registration made in the systems maintained by the central depository, with the corresponding registration made in the issuer or registrar, as the case may be, when the securities are book-entry; and

II – by means of the own transfer mechanisms of each security, according to its nature and in accordance with the CSD rulebook, when the securities are issued in non-book-entry form.

§ 3 - In the event of paragraph 2(II), the CSD rulebook shall also establish the possibilities of transferring the security to the custodian or directly to the investor, depending on the situation and the nature of the asset.

CHAPTER IX - DEPOSIT ACCOUNT STRUCTURE

Section I - General Rules

Art. 33. Securities must be held by the CSD in investor-individualized deposit accounts and must use the double-entry accounting system.

§ 1 - Deposit accounts must be opened, on behalf of investors, by the custodians hired by them.

§ 2 - It is up to the custodians who provide services to investors to conduct all acts of identification of these before the CSD and act on behalf of the investor before the CSD, in line with the minimum rules and procedures established by the central depository.

§ 3 - In the case of arepo backed by securities between banks and their clients holding demanddeposit accounts, the transfer of securities to a special deposit account of the selling bank, in the condition of the following conditions, is authorized:

I – the CSD shall be able to individualize and identify customers who, by reason of the transactions referred to in this paragraph, become holders of the securities, which must be identified by the selling bank in the terms and conditions specified in the Rules of Operations;

II – the special deposit account shall be allocated exclusively to positions of clients holding demand deposit accounts and shall be segregated from other accounts for positions specific to the selling bank,



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including in the event of insolvency, judicial or extrajudicial recovery, liquidation, or bankruptcy of the institution;

III – securities may only return to the seller bank's own position in the event of a repurchase; and

IV – if the selling bank does not comply with the assumed obligation, the securities must be transferred to the deposit account indicated by the account holder, subject to the procedures set out in § 4.

§ 4 - The CSD shall establish in its rulebook the time limits for the communication of transactions conducted pursuant to Paragraph 3 and the procedures for the transference of securities, including in case of non-compliance with the transaction by the selling bank.

Art. 34. The deposit account structure of the CSD shall ensure adequate segregation between:

I – securities that are in the process of withdrawal, transfer, clearing and settlement and other securities existing in the deposit accounts; and

II – the securities encumbered, under liens or deposited as collateral of the other securities held in the account of deposit or other transactions.

Section II - Liens and Encumbrances

Art. 35. The transfer of securities must be based on commands or authorizations issued from investors, communicated to the CSD through instruction issued by the respective custodians.

§ 1 - Without prejudice to the provisions of this **article**, the occurrence of events affecting the position held may promote changes to the deposit account., CSD rulebooks shall describe the hypotheses in which the respective movements are conducted.

§ 2 - The CSD shall develop mechanisms for exchanging information with the clearing and settlement systems to which it provides services, in order to allow the sending of all the necessary information for the correct settlement of operations, for the execution of any appropriate locks and for the timely receipt of the transferring instructions.

Art. 36. The registration of encumbrances and liens on securities deposited, as a result of judicial constriction, constitution of guarantees or settlement process in providers of clearing and settlement services, in the form of art. 26 of Law No. 12,810, of May 15, 2013, must be carried out in accordance with applicable legislation, by means of registration in the corresponding deposit accounts.



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§ 1 - The CSD shall constitute adequate systems and adopt all necessary procedures to ensure the regularity of the constitution of the encumbrances and liens, including the corresponding communications to the issuers or registrars, as the case may be.

§ 2 - The system constituted for the purposes of § 1 shall allow the identification of records of encumbrances, liens or other type of guarantee constituted on the securities deposited and adopt procedures aimed at:

I - ensure the uniqueness and continuity of securities records;

II – generate the information necessary for the exercise of the right of sequel by the secured creditors; and

III – control access to the information contained in the records of encumbrances and liens constituted within the entity, in accordance with the provisions of the applicable legislation, allowing the issuance of a certificate in favor of any interested parties, in order to be approved by the CVM.

§ 3 - When regulating the services to which **this article** deals, the CSD shall expressly dispose of:

I – the form of constitution, rectification and cancellation of liens, encumbrances, or other kind of guarantee, including on sets or universalities of securities;

II – the responsibilities, rights, and obligations of those involved in the acts of constitution of encumbrances, liens, or other kind of guarantee;

III – the rights, obligations, and limits of liability of the CSD in the realization of the records;

IV – the handling given to the income of securities subject to encumbrance, liens or other type of guarantee;

V – the situations and forms of transferring securities subject to encumbrance, liens, or other type of guarantee;

VI – the handling applicable to situations of early maturity of obligations subject to encumbrance, liens, or other type of guarantee; and

VII – the regime and the way in which information on registered transactions is available, including the provision of information and issuance of certificates.

§ 4 - The provision of this Article also applies to the constitution of liens and encumbrances on positions held in derivative contracts of any kind, provided that the CSD is also authorized to act as an



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authorized trade repository for such contracts, in the form of § 4 of Article 2 of Law No. 6,385 of December 7, 1976, and be able to ensure its existence.

Art. 37. The CSD shall not accept commands or authorizations that result in negative balances in the deposit accounts.

Art. 38. The transfer of securities is considered definitive and irrevocable at the time, terms and conditions established by the CSD rulebook.

Section III - Reconciliation

Art. 39. The CSD shall adopt procedures to ensure the daily reconciliation of positions held in deposit accounts held by investors with the position held in their fiduciary ownership.

§ 1 - The reconciliation procedure shall ensure that the total securities of the same type and class deposited in the deposit accounts is equal to the sum of the securities contained in the records of the issuer, of the custodian who provides services to the issuer or the registrar, as the case may be, considering the events incident on such securities.

§ 2 - The CSD shall provide the necessary information for custodians, registrars, or issuers to reconcile the securities held in the deposit accounts with those kept in their records.

§ 3 - The CSD must keep a record of the activities conducted in its systems, in order to allow the traceability of the movements carried out.

CHAPTER X - REGULATIONS

Section I - Access Rules

Art. 40. The CSD access rulebook must:

- I – differentiate the categories of participants, establishing their form of relationship with the CSD;
- II – in the case of the participants referred to in items I and II of this article, art. 5, establish objective requirements related to the structure, monitoring of risks, human and material resources required, organizational and operational capacity of the participant and suitability and professional capacity of the persons who act on their behalf;
- III – in the case of the participants referred to in item III of this article, art. 5, establish objective requirements and mechanisms considered appropriate for the purposes of risk control and management and protection of the integrity of their systems.



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§ 1 - The rules referred to in **this article** of this article shall establish the regime and procedures applicable to the relationship of the issuers referred to in § 2 of art. 5 with the CSD.

§ 2 - The rules referred to in this article of this article and the procedures adopted therein shall comply with the principles of equal access and respect for competition, central securities deposit activities and other activities related to or dependent on them and shall be disclosed on the CSD page on the worldwide computer network.

§ 3 - The fees established by the CSD shall be reasonable and proportionate to the services provided, not constituting a mechanism of undue restriction on access to the services provided by it.

§ 4 - The requirements referred to in item II of **this article** include minimum net worth, in view of the risks of the activities conducted by the participant, and rules of segregation of activities.

§ 5 - Without prejudice to the provisions of this article, the relationship of the CSD with trading platforms, clearing and settlement systems and with other CSD shall be the subject of specific contracts, for the regulation of technical and operational aspects of the relationship.

§ 6 - The provisions of this article also apply to the interoperability mechanisms provided for in Paragraph 3 of Article 5.

§ 7 The CSD services and transfers of securities held in deposit shall be offered to participants independently of other services possibly provided by the CSD or its associated entities.

Art. 41 The CSD is responsible for the continuous supervision and oversight of its participants, and shall:

I - monitor compliance with the rules and procedures contained in this Resolution and the CSD rulebook;

II - to judge and impose penalties arising from the violation of the rules that are incumbent to the CSD to oversee;

III – in the case of the participants referred to in items I and II of this article, art. 5, to ensure the regularity of internal procedures, through periodic inspections in systems and books and records, including accounting, linked to the activity of central securities deposit.

Art. 42. The CSD may constitute an association, a company controlled or subject to common control, of a specific purpose, which performs the functions of supervision and oversight referred to in Art. 41, or also to hire an independent third party to perform such functions.



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Sole paragraph. The exercise of supervisory and oversight functions by an association, by a controlled company or a company under common control or by hired third parties does not exempt the CSD from its responsibilities.

Art. 43. The CSD, the association, the company controlled or subject to common control, or for a specific purpose, acting in accordance with Art. 42 may require the participants all the information necessary to exercise their supervisory competence.

Sole paragraph. The CSD, the association or the controlled company or the company under common control or the contracted third party must observe the restrictions arising from the secrecy to be preserved involving the information relating to the securities deposited and its holders.

Art. 44. The supervisory activities of the CSD shall be supported by the rulebook referred to in art. 40 and by contractual mechanisms.

Section II - Operations Rulebook

Art. 45. Without prejudice to the specific rules provided for in this Resolution, the CSD shall define rules for the organization and operation of its activities, covering, in addition to other topics referred to in this Resolution, at least:

I – rules and procedures for the transferring of securities in its deposit account system, including for settlement purposes;

II - criteria for the eligibility of securities for central securities deposit;

III - regime of safekeeping, control, and administration of securities;

IV - procedures for the handling of events incident on securities;

V - procedures adopted for the realization of the reconciliations provided for in this Resolution and their respective periodicities;

VI – procedures for the constitution, control, and communication, where applicable, of any burden, liens and encumbrance, or other type of guarantee in the event of securities;

VII – rights and obligations of the CSD and other participants involved in the provision of CSD services, including the definition, where appropriate, of minimum clauses that must be included in the respective contracts for the provision of services;



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VIII – procedures and penalties applicable to cases of non-compliance with duties and obligations provided for in the Regulation, in addition to the respective events that constitute reason for the application of such procedures and penalties;

IX - procedures and controls for operational risk management;

X – contingency and recovery plans, detailing the procedures to be adopted in the event of operational failures, able to ensure the continuity of the provision of services;

XI – rules and procedures for segregation of activities and aimed at inhibiting the performance of their administrators and employees in cases of conflicts of interest and the detention of privileged information; and

XII – disclosure regime for changes related to the operation of central securities deposit services.

Single paragraph. The rules referred to in **this article** and other operational details relating to the provision of the services shall be published on the CSD page on the worldwide computer network.

Art. 46. The CSD shall establish the mechanisms for the participants to agree to the rules and procedures applicable to each type of participant, with a view to linking them, including, to the waterfall obligations and responsibilities.

CHAPTER XI - INFRACTIONS AND PENALTIES

Art. 47. It is considered a serious offense, for the purposes of paragraph 3 of Article 11 of Law No. 6,385 of 1976, the exercise of the activities regulated by this Resolution by an unauthorized or authorized person based on a false statement or documents, as well as the violation of the rules contained in the arts. 2, 3, 16 to 22, 24, 28 to 33, 35, 36, 39 to 41, 43 and 48 of this Resolution.

CHAPTER XII - FINAL PROVISIONS

Art. 48. The CSD shall maintain, for a minimum period of five (5) years, or for a longer period by express determination of the CVM, all documents and information required by this Resolution.

§ 1 - The digitally scanned images are admitted in place of the original documents, provided that the process is conducted in accordance with the law that provides for the preparation and archiving of public and private documents in electromagnetic means, and with the decree establishing the technique and requirements for the digitization of these documents.



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§ 2 - The original document may be discarded after its scanning, unless it presents material damage that impairs its readability.

Art. 49. CVM Instruction No. 541 of December 20, 2013, is revoked.

Art. 50. This Resolution enters into force on 1 June 2021.

Electronically signed by
MARCELO BARBOSA
President



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ANNEX A TO CVM RESOLUTION NO. 31, MAY 19, 2021

Application for Authorization for the Provision of CSD Services

Article 1 - The authorization order for the provision of CSD services shall be instructed with the following details and information:

I - corporate name, registration in the National Registry of Legal Entities - CNPJ, full address of the headquarters, telephone numbers, e-mail address and the institution's page in the worldwide network of computers and signature card of legal representatives;

II – constitutive acts and subsequent modifications, duly updated and covered by legal formalities, and proof of shareholders' equity, in the terms in which proposed, and sources of resources;

III – set of documents to demonstrate that the applicant has organizational and operational capacity for the provision of CSD services, taking into account the technical-operational, organizational, administrative and financial aspects, with a detailed description of operational risk management mechanisms, composed of:

(a) the submission of a draft regulation intended to discipline the provision of CSD services, establishing the general principles and rules to which its directors and persons with whom they maintain any legal relationship are subordinated;

b) description of the main characteristics of the processes and technological systems that should be used in the provision of services, comprising equipment and means of communication that support the systems, with the summary specification of the intrinsic and extrinsic operational routines to the systems, as well as the relevant internal procedures and controls;

c) description of the main characteristics of the operating systems used in the provision of services, including when performed by third parties, comprising, among others, according to the nature of the system, the central deposit of securities, its movement, the processing of custody events, the provision of information to participants and their customers, investor;

d) basic procedures and mechanisms related to technical access to systems by participants;

e) a summary description of safety standards on installations, equipment, and data;

f) description of the human resources allocated to the activity, specifying the functions and positions necessary for its performance;

g) policy of segregation of activities;



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h) plan for contingencies, and file and database recovery systems;

i) technological and operational contingency environment (contingency site) in physical space not subject to the same risk of the main environment (main site) that allows the resumption of business quickly and safely, without compromising the integrity of the information and business of its participant and the final beneficiary; and

(j) copies of contracts for the assignment or development of systems concluded between the applicant and the company which owns the system or responsible for its development, in the event that the systems used to provide CSD services have not been developed by the applicant;

IV - organization chart of the applicant, highlighting the area responsible for the execution of CSD services to be provided;

V - name and qualification of the applicant's legal representatives;

VI – copy of minutes of the meeting of the board of directors or the executive board who appointed the director responsible for compliance with the standards established in this Resolution and for the supervision of procedures and internal control of CSD services;

VII - list of companies in which the CSD has a shareholding, including companies indirectly controlled or affiliated;

VIII – legal instrument designed to discipline the relationship between the CSD and the participant, in accordance with the provisions of this Resolution;

IX – designation of the independent audit firm registered with CVM that performs the operational audit of CSD services, as well as declaration of its independence from the audited; and

X – report on the description, design, and operational effectiveness of controls (type 1), issued by an independent auditor registered with CVM, prepared pursuant to NBC TO 3402 approved by the Federal Accounting Council.