

SMI Markets: **Brazil**

Date: 10 Aug 2009

CMIRR Markets: **Brazil**

BACEN Issued Additional Procedures to Improve Anti-money Laundering Measures

The Brazilian Central Bank (BACEN) recently issued an official letter (Circular 3461) providing additional procedures to be conducted by the local financial institutions in order to improve the anti-money laundering measures.

According to the official letter, all authorised financial institutions are required to periodically collect and update investors' information in their internal registration systems, including the average monthly revenue of the previous 12 months. The information must include all the authorised representatives and the company's ownership structure up to the individual level, which may be considered as the final beneficiaries. For an investment fund, the documentation must include information of the fund administrator. Any internal information related to the registration must be promptly disclosed to the Brazilian regulators upon request.

The financial institutions can only establish and maintain relationships with investors where they have fulfilled the registration requirements as prescribed in the official letter. They will also be responsible for verifying all investors' records and checking the consistency of records at least on an annual basis. The investors considered as Politically Exposed Persons (PEPs) must be treated with special attention.

The official announcement can be accessed via [here](#) (in Portuguese only).

Market Information Impact

Brazil

This information affects the data contained in the Market Entry Requirements sections of the Securities Market Information Service.

Infrastructure Risk Ratings Impact

Brazil

Market Rating: A+

Market Flash Impact: Stable

Impacted Risk Type: Operational Risk

Current Rating = A+

Flash Impact = Stable

This flash is for information only and has no material impact on Operational Risk.

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