

CSDs: **BM&FBOVESPA CSD (Brazil)**

Date: 06 Aug 2013

SMI Markets: **Brazil**CMIRR Markets: **Brazil**

BM&FBOVESPA CSD Implements New Functionalities for Voluntary Corporate Actions

BM&FBOVESPA has announced the implementation of new functionalities for its Voluntary Corporate Actions procedures which will be available to custodians from 19 August 2013 via the Online Central Depository (CAC).

The new automated functionalities will allow custodians to instruct BM&FBOVESPA with investors' decision when exercising subscription rights and/or outstanding subscription rights as well as for withdrawal and for dissent. The new options are:

- **Subscription rights and/or outstanding subscription rights:** A new field will be enabled at CAC in which the custodian must designate whether or not investor wishes to participate in future rounds of outstanding rights.
- **Exercise of further outstanding rights:** During the exercise of the outstanding rights the custodian will be able to demand additional quantities directly through CAC by filling out the "Complement" field on the request screen, in accordance with the rules established by the issuer.
- **Withdrawal:** The new process will follow the rules established by the issuer. Custodian must select, in behalf of its client at the moment of the subscription, the "Don't Withdraw", "Withdraw Fully" or "Withdraw Partially" modalities. If no option is selected the system will automatically assume "Don't Withdraw" by default.
- **Dissent:** With the new functionality, the issuer will send to BM&FBOVESPA its decision on accepting full or partial dissent through CAC.

Further information is available here: [Circular Letter 011/2013-DO](#).

CSD Risk Impact

BM&FBOVESPA CSD (Brazil)

CSD Rating: AA-

CSD Flash Impact: Positive

Impacted Risk Type: Asset Servicing Risk

Current Rating = AA

Flash Impact = Positive

The new functionalities will enhance the efficiency levels on corporate actions simplifying the flow and management of information between investors and issuers. As a result, the impact on Asset Servicing Risk is assessed as "Positive".

Market Information Impact

Brazil

This information affects the data contained in the Corporate Actions sections of the Securities Market Information Service.

Infrastructure Risk Ratings Impact

Brazil

Market Rating: A+

Market Flash Impact: Positive

Impacted Risk Type: Asset Servicing Risk

Current Rating = A+
Flash Impact = Positive

The new functionalities will enhance the efficiency levels on corporate actions simplifying the flow and management of information between investors and issuers. As a result, the impact on Asset Servicing Risk is assessed as "Positive".

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