Machado Meyer

M&A AND PRIVATE EQUITY

BRAZILIAN CAPITAL ABROAD

14 MARCH 2017

Individuals and legal entities residing, domiciled, or headquartered in Brazil, as defined in the tax legislation, must report the assets and amounts they hold outside the country to the Central Bank of Brazil. Such reporting is mandatory for those individuals and legal entities whose assets abroad (assets and rights, including, but not limited to, equity interest in companies, fixed-income securities, shares, real estate, deposits, loans, and investments) amount to or exceed the equivalent to one hundred thousand US Dollars (US$100,000.00), on December 31, 2016.

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In addition, where the assets held by such individuals and legal entities abroad are equal to or greater than one hundred million US Dollars (US$100,000,000.00), reporting to the Central Bank of Brazil must be quarterly, on March 31, June 30, and September 30 of each year.

The report relating to December 31, 2016, must be submitted through the Statement of Brazilian Capital Abroad (CBE), which is a form available on the Central Bank of Brazil's website (), between the period beginning February 15, 2017, at 10 am, and ending April 5, 2017, at 6 pm.

The manual containing detailed information about all reporting content and requirements is also available on the Central Bank of Brazil's website ().

The late submission, lack of reporting, or the provision of false, inaccurate, or incomplete information may subject the violator to the imposition of a fine by the Central Bank of Brazil of up to two hundred fifty thousand Brazilian Reais (R$250,000.00).

(CMN Resolution No. 3,854, of May 27, 2010, and BACEN Circular No. 3,624, of February 6, 2013).