

## FIVE-YEAR CENSUS OF FOREIGN CAPITAL IN BRAZIL

As of July 1, 2021, started the term for delivery of the five-year declaration of the Census of Foreign Capitals in Brazil to the Central Bank of Brazil, for the base year of 2020, as provided for in BACEN Circular No. 3795, of June 16, 2016. The deadline for submission ends on August 16, at 6 pm (Brasilia Time).

The census aims to prepare macroeconomic statistics of the foreign sector, especially those related to Foreign Direct Investment in Brazil and liabilities. The statistical data collected will be the input for the formulation of Brazilian economic policy.

Entities headquartered in Brazil that, on December 31, 2020, that are subject to the criteria below must file the declaration:

(i) Legal entities headquartered in the country, with direct participation of non-residents in their capital stock, in any amount;

(ii) Investment funds with non-resident quotaholders (who must submit the statement through their managers); and

(iii) Legal entities headquartered in Brazil, with a total outstanding balance of short-term commercial credits (payable within 360 days) granted by non-residents, in an amount equal to or exceeding the equivalent to US\$ 1 million, as quoted on December 31, 2020.

The following entities are exempt from making this statement (i) natural persons; (ii) agencies of direct administration of the Federal Union, States, Federal District and Municipalities; (iii) legal entities that are debtors of onlendings of foreign credits granted by institutions domiciled in Brazil; and (iv) non-profit entities maintained by contribution from non-residents.

Failure to provide the required information on the deadline as well as the provision of false, incomplete, incorrect information may result in a fine, as per article 60 of BACEN Circular 3,857/17. The fine may vary from 1% of the amount subject to registration or R\$25,000.00 (delay in submitting the census) to R\$250,000.00 (in case of providing false information)