BANKING & FINANCE
FINTECH & PAYMENT METHODS

CLIENT ALERT

OCTOBER/2019

PRESIDENTIAL DECREE GRANTS THE BRAZILIAN CENTRAL BANK AUTHORITY ON FOREIGN CAPITAL IN BRAZILIAN FINANCIAL INSTITUTIONS

On September 27th, 2019 the President of Brazil published Decree No 10,029 of September 26th, 2019, authorizing the Brazilian Central Bank ("BACEN") to acknowledge as interest of the federal government:

(i) the establishment in Brazil of new branches of foreign financial institutions; and

(ii) the increase of non-residents of their equity interests in financial institutions headquartered in Brazil.

Until now, with the exception of the Direct Credit Company and Peer to Peer Loan Company known as the Fintech Institutions, foreign capital depended on the issuance of a specific presidential decree authorizing the participation on Brazilian based Financial Institutions. The Fintech Institutions had already received a blank authorization to receive foreign capital by the Decree No. 9,544 of October 29th, 2018.

The measure aims to simplify the process of obtaining authorization for investment in the Brazilian financial industry, in furtherance of Brazilian Government policy to foster competition in financial services.

Our team is available to provide further details and answer any questions on the foregoing.

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For further information, please send a message to **news@veirano.com.br**

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