

Progress in the Implementation of G20/FSB Recommendations – June 2012

Jurisdiction: BRAZIL

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# (# in brackets are from 2011 template)	G20/FSB Recommendations		Deadline	Progress to Date	Planned Next Steps	
1. Refining the regulatory perimeter						
1 (new)	Cannes	Strengthening the oversight of shadow banking	We agree to strengthen the regulation and oversight of the shadow banking system. ¹	Ongoing	<p>Implementation ongoing:</p> <input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by <input type="checkbox"/> Draft regulations/guidelines published as of <input type="checkbox"/> Final rules expected to be in force by	<p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>
2 (11)	(Lon)	Review of the boundaries of the regulatory	We will each review and adapt the boundaries of the	Ongoing	<p>Implementation ongoing:</p> <input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by	<p>Planned actions (if any):</p> <p>The BCB will continue to participate actively in the relevant</p>

¹ For this survey, the focus is exclusively on the recommendations for monitoring the shadow banking system, discussed in section 2 of the October 2011 FSB report: “Shadow Banking: Strengthening Oversight and Regulation”, which is available here: http://www.financialstabilityboard.org/publications/r_111027a.pdf.

# (# in brackets are from 2011 template)	G20/FSB Recommendations		Deadline	Progress to Date	Planned Next Steps	
		framework	regulatory framework to keep pace with developments in the financial system and promote good practices and consistent approaches at an international level.		<input type="checkbox"/> Draft regulations/guidelines published as of <input type="checkbox"/> Final rules expected to be in force by <input type="checkbox"/> Others, please specify: <input type="checkbox"/> Completed as of Overview (short description) of action(s) taken: The BCB takes a proactive and cautious approach towards new products and markets. Consolidated supervision of financial conglomerates already takes into account of most developments that would otherwise require revision of the boundaries of the regulatory framework. Financial institutions are required to have in place a structure for the management of credit, market and operational risks. Such structure must provide an assessment of new products and services from a risk-based perspective. Web-links to relevant documents:	forums, particularly in the FSB and its subgroups and monitor national developments that may warrant an extension of the perimeter of financial regulation. Expected commencement date: Web-links to relevant documents:
(i) Hedge funds						
3 (13)	(Seoul)	Regulation (including	We also firmly recommitted to	End-2009	Implementation ongoing: <input type="checkbox"/> Draft regulations/guidelines being	Planned actions (if any):

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	(Lon)	registration) of hedge funds	<p>work in an internationally consistent and non-discriminatory manner to strengthen regulation and supervision on hedge funds, ...</p> <p>Hedge funds or their managers will be registered and will be required to disclose appropriate information on an ongoing basis to supervisors or regulators, including on their leverage, necessary for assessment of the systemic risks they pose individually or collectively. Where appropriate registration should be subject to a minimum size. They will be subject to oversight to ensure that they have</p>		<p>developed, expected publication by</p> <p><input type="checkbox"/> Draft regulations/guidelines published as of</p> <p><input type="checkbox"/> Final rules expected to be in force by</p> <p><input type="checkbox"/> Others, please specify:</p> <p><input checked="" type="checkbox"/> Completed as of 2004</p> <p>Overview (short description) of action(s) taken: Hedge funds are subject to the same regulation applicable to the mutual investment funds, according to Rule CVM 409/2004</p> <p>Web-links to relevant documents:</p>	<p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

# (# in brackets are from 2011 template)	G20/FSB Recommendations			Deadline	Progress to Date	Planned Next Steps
			adequate risk management.			
4 (14)	(Lon)	Effective oversight of cross-border funds	We ask the FSB to develop mechanisms for cooperation and information sharing between relevant authorities in order to ensure effective oversight is maintained when a fund is located in a different jurisdiction from the manager. We will, cooperating through the FSB, develop measures that implement these principles by the end of 2009.	End-2009	<p>Implementation ongoing:</p> <input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by <input type="checkbox"/> Draft regulations/guidelines published as of <input type="checkbox"/> Final rules expected to be in force by <p><input checked="" type="checkbox"/> Others, please specify: The Task Force on Unregulated Entities (TFUE), as one of the Standing Committee 5 (SC5) subgroups of the International Organization of Securities Commissions (IOSCO), is leading efforts on this issue, involving the exchange of periodical information on hedge funds and the main risks they pose. CVM is one of the members of the aforementioned subgroup.</p> <p>CVM is finalizing a supervisory Memorandum of Understanding (MOU) with the US Stock and Exchange Commission (SEC) that includes the supervision of mutual funds. Similar agreements are under with US Financial Industry Regulation Authority (FINRA) and European Securities and Markets Authority (ESMA).</p>	Planned actions (if any): Expected commencement date: Web-links to relevant documents:

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					<input type="checkbox"/> Completed as of Overview (short description) of action(s) taken: Web-links to relevant documents:	
5 (15)	(Lon)	Effective management of counter-party risk associated with hedge funds	Supervisors should require that institutions which have hedge funds as their counterparties have effective risk management, including mechanisms to monitor the funds' leverage and set limits for single counterparty exposures.	Ongoing	Implementation ongoing: <input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by <input type="checkbox"/> Draft regulations/guidelines published as of <input type="checkbox"/> Final rules expected to be in force by <input checked="" type="checkbox"/> Others, please specify: In Brazil, the counterparty risk associated with hedge funds is not a systemic issue, considering that regulation precludes loans by hedge funds (Rule CVM 409/2004, article 64). <input type="checkbox"/> Completed as of Overview (short description) of action(s) taken: Web-links to relevant documents:	Planned actions (if any): Expected commencement date: Web-links to relevant documents:

# (# in brackets are from 2011 template)	G20/FSB Recommendations			Deadline	Progress to Date	Planned Next Steps
6 (16)	(FSF 2008)	Guidance on the management of exposures to leveraged counterparties	II.17 Supervisors will strengthen their existing guidance on the management of exposures to leveraged counterparties	Ongoing	<p>Implementation ongoing:</p> <p><input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by</p> <p><input type="checkbox"/> Draft regulations/guidelines published as of</p> <p><input type="checkbox"/> Final rules expected to be in force by</p> <p><input checked="" type="checkbox"/> Others, please specify: At present, leveraged counterparties are not believed to be a point of concern for the Brazilian financial system.</p> <p>As mentioned in the previous item, hedge funds pose no systemic risk through the credit channel in Brazil, as they are precluded from making loans. Nevertheless, taking into account that derivatives are the most relevant source of leverage for hedge funds, it should be stressed that most transactions are traded in an exchange environment, characterized by margins requirements calculated by an independent third party (the exchange itself) and adjusted on a daily basis.</p> <p><input type="checkbox"/> Completed as of</p> <p>Overview (short description) of action(s) taken:</p>	<p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

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					Web-links to relevant documents:	
(ii) Securitisation						
7 (17)	(FSB 2009)	Implementation of BCBS/IOSCO measures for securitisation	<p>During 2010, supervisors and regulators will:</p> <ul style="list-style-type: none"> implement the measures decided by the Basel Committee to strengthen the capital requirement of securitisation and establish clear rules for banks' management and disclosure; 	During 2010	<p>No response required for this survey.</p> <p>Please refer to the BCBS progress report on the Basel 2.5 adoption, available at: http://www.bis.org/publ/bcbs/b2_5prog_rep_table.htm</p>	
			<ul style="list-style-type: none"> implement IOSCO's proposals to strengthen practices in securitisation markets. 		<p>Implementation ongoing:</p> <p><input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by</p> <p><input type="checkbox"/> Draft regulations/guidelines published as of</p> <p><input type="checkbox"/> Final rules expected to be in force by</p> <p><input checked="" type="checkbox"/> Others, please specify: Disclosure aspects are detailed in item 11.</p>	<p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

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					<p>Several rules were enacted in order to improve the disclosure of securitization products.</p> <p>Partial retainment of risk is referred to in item 8.</p> <p>Regarding the regulation of service providers, CVM has established a working group to update the current rule, covering the present concerns on this matter.</p> <p>CVM expects to have a public consultation on this issue by the June 2012.</p> <p><input type="checkbox"/> Completed as of</p> <p>Overview (short description) of action(s) taken:</p> <p>Web-links to relevant documents:</p>	
8 (18)	(Lon)	Improvement in the risk management of securitisation, including retainment of a part of the risk of the	The BCBS and authorities should take forward work on improving incentives for risk management of securitisation, including	By 2010	<p>Implementation ongoing:</p> <p><input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by</p> <p><input type="checkbox"/> Draft regulations/guidelines published as of</p> <p><input type="checkbox"/> Final rules expected to be in force by</p>	<p>Planned actions (if any):</p> <p>CVM is also conducting studies on the IOSCO recommendations on securitization, including the “skin in the game” requirements and the independence of service providers.</p> <p>Expected commencement date:</p>

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	(Pitts)	underlying assets by securitisation sponsors or originators	<p>considering due diligence and quantitative retention requirements by 2010.</p> <p>Securitization sponsors or originators should retain a part of the risk of the underlying assets, thus encouraging them to act prudently.</p>		<p><input checked="" type="checkbox"/> Others, please specify: The scale of securitization activities in Brazil is much smaller than in countries directly affected by the recent financial crisis.</p> <p><input type="checkbox"/> Completed as of</p> <p>Overview (short description) of action(s) taken: The securitization structures most commonly used in Brazil are the ones in which part of the risk of the operation remains with the originator through the retention of junior (subordinated) tranches.</p> <p>Additionally, the prospectus is required to disclose the historic level of default of the investment portfolio.</p> <p>Web-links to relevant documents:</p>	Web-links to relevant documents:
9 (19)	(FSF 2008)	Strengthening of regulatory and capital framework for monolines	II.8 Insurance supervisors should strengthen the regulatory and capital framework for monoline insurers in relation to structured credit.	Ongoing	<p>Implementation ongoing:</p> <p><input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by</p> <p><input type="checkbox"/> Draft regulations/guidelines published as of</p> <p><input type="checkbox"/> Final rules expected to be in force by</p> <p><input checked="" type="checkbox"/> Others, please specify:</p>	<p>Planned actions (if any): At present, there are no ongoing regulation proposals or efforts concerning monoline insurers.</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

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					<p>At present, there are no ongoing regulation proposals or efforts concerning monoline insurers.</p> <p><input type="checkbox"/> Completed as of</p> <p>Overview (short description) of action(s) taken:</p> <p>Web-links to relevant documents:</p>	
10 (20)	(FSF 2008)	Strengthening of supervisory requirements or best practices for investment in structured products	II.18 Regulators of institutional investors should strengthen the requirements or best practices for firms' processes for investment in structured products.	Ongoing	<p>Implementation ongoing:</p> <p><input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by</p> <p><input type="checkbox"/> Draft regulations/guidelines published as of</p> <p><input type="checkbox"/> Final rules expected to be in force by</p> <p><input type="checkbox"/> Others, please specify:</p> <p><input checked="" type="checkbox"/> Completed as of 2010</p> <p>Overview (short description) of action(s) taken: Circular Letter 02/2010 states that mutual fund investments in structured products (CCBs) must be made with due diligence. In addition, our Risk Supervision Process</p>	<p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

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					(SBR) addresses that this issue must be verified in Routine Inspections Web-links to relevant documents:	
11 (21)	(FSF 2008)	Enhanced disclosure of securitised products	III.10-III.13 Securities market regulators should work with market participants to expand information on securitised products and their underlying assets.	Ongoing	<p>Implementation ongoing:</p> <p><input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by</p> <p><input type="checkbox"/> Draft regulations/guidelines published as of</p> <p><input type="checkbox"/> Final rules expected to be in force by</p> <p><input type="checkbox"/> Others, please specify:</p> <p><input checked="" type="checkbox"/> Completed as of 16.4.12 for disclosure requirements provided by securitization companies - Rule CVM 520/2012 (MBS).</p> <p>According to Rule CVM 504/2011, from January 2012 securitization funds are required to send information about their purchases of credits to the Central Bank Credit Bureau (SCR).</p> <p>Also observe Rule CVM 484/2010 and Rule CVM 489/2011 which regulated the disclosure of information of asset-backed securities.</p>	<p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

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					<p>Overview (short description) of action(s) taken:</p> <p>Web-links to relevant documents:</p>	
2. Enhancing supervision						
12 (5)	(Pitts)	Consistent, consolidated supervision and regulation of SIFIs	All firms whose failure could pose a risk to financial stability must be subject to consistent, consolidated supervision and regulation with high standards.	Ongoing	<p>Implementation ongoing:</p> <p><input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by</p> <p><input type="checkbox"/> Draft regulations/guidelines published as of</p> <p><input type="checkbox"/> Final rules expected to be in force by</p> <p><input checked="" type="checkbox"/> Others, please specify: No G-SIFIs are headquartered in Brazil and the definition of D-SIFIs is currently under discussion. Therefore, no specific regulation or guidelines on the supervision of SIFIs were issued. The structure and the procedures for supervision of the most important financial conglomerates are discussed internally and defined by the Senior Management of the Department of Supervision of Banks and Banking Conglomerates at the BCB.</p> <p><input type="checkbox"/> Completed as of</p> <p>Overview (short description) of action(s)</p>	<p>Planned actions (if any): The off-site supervision is developing a methodology to identify and classify domestic banks according to their systemic importance, based on the BCBS G-SIB methodology.</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

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					<p>taken: Resolution CMN 3,988/2011, states that institutions with total assets greater than \$100 billion must implement the Internal Capital Adequacy Assessment Process (ICAAP) in order to assess the need for extra capital to cope with all relevant risks not covered by Pillar 1 requirements. BCB issued a Public Hearing 37 that follows the same criteria based on size regarding the implementation of IRB credit risk models for calculation of capital requirements. A 25% increase in the correlation factor for the relevant institutions was also proposed in the light of recommendations of the Basel Committee.</p> <p>Furthermore, on-site supervision has already defined a more intense supervisory structure to bigger and more complex banks.</p> <p>The Brazilian supervisory model, including the oversight of major financial conglomerates, involves on-site and off-site activities.</p> <p>On-site activities aim at identifying and assessing the risks and controls inherent to each area or activity of the institution, as well as the performance of the senior management in the maintenance of the soundness and the regular functioning of the entity.</p>	

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					<p>Off-site activities include using accounting and other reports to monitor market, liquidity and credit risks. They also include stress testing and analysis and monitoring of financial stability and systemic risk. The major financial conglomerates are constantly inspected and analyzed in several aspects, taking into account their size and the complexity of their structure. Each of these conglomerates is assigned to a dedicated group of examiners (between 6 and 8) under a dedicated senior supervisor. This group is supported by specialized teams, who analyse specific financial issues. Activities of the specialized teams cover all Brazilian banks and not only the largest ones. There are 32 specialists in matters such as treasury operations, credit risk, accounting, operational risk and others. Their work is proportionally allocated to those banks being supervised. The number of examiners is considered adequate, in view of the support provided also by the specialized teams. The off-site supervision comprises 206 members grouped in several monitoring units that cover the entire Brazilian financial system and not only banks. The allocation of this staff to supervise the major financial conglomerates is also deemed adequate.</p>	

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					Web-links to relevant documents:	
13 (8)	(Lon)	Establishment of Supervisory colleges	To establish the remaining supervisory colleges for significant cross-border firms by June 2009.	June 2009 (for establishing supervisory colleges)	<p>Implementation ongoing:</p> <input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by <input type="checkbox"/> Draft regulations/guidelines published as of <input type="checkbox"/> Final rules expected to be in force by <p><input type="checkbox"/> Others, please specify:</p> <p><input checked="" type="checkbox"/> Completed as of September, 2011</p> <p>Overview (short description) of action(s) taken: The BCB has established supervisory colleges for the two Brazilian banks that have a large presence abroad. The first college meeting took place in September 2010 and the second in September 2011. Additional colleges may be implemented in the future, as needed.</p> <p>Web-links to relevant documents:</p>	<p>Planned actions (if any): The BCB intends to hold supervisory colleges at least biennially for the two Brazilian banks with a large presence abroad. The next meeting is scheduled for September 2012.</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>
14 (8)	(Seoul)	Conducting risk assessments through	We agreed to conduct rigorous risk assessment on	Ongoing	<p>Implementation ongoing:</p> <input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by	<p>Planned actions (if any): During the next meetings, the BCB will continue to develop and</p>

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		international supervisory colleges	these firms through international supervisory colleges ...		<input type="checkbox"/> Draft regulations/guidelines published as of <input type="checkbox"/> Final rules expected to be in force by <input checked="" type="checkbox"/> Others, please specify: Due to he characteristics of the Brazilian conglomerates, and the low individual relevance of their units in many foreign jurisdictions, supervisory colleges conducted by the BCB are not intended to result in specific risk assessments, but all discussions and points highlighted are taken as inputs to the regular consolidated risk assessment under the Brazilian supervisory process. <input type="checkbox"/> Completed as of Overview (short description) of action(s) taken: The supervisory college meetings included discussions on the risk profile and the related internal controls of each unit of the Brazilian banks abroad and the associated perspectives. The risk assessment is not conducted during the college meetings. The information is documented and used later by the supervisory staff in order to support the risk assessment of the whole conglomerate.	address more specific issues regarding the framework implemented by each unit in order to monitor, mitigate and control internal risks. In addition, the BCB intends to discuss the deficiencies and necessary improvements to be made by the foreign units. The next supervisory college meeting is scheduled for September 2012. Expected commencement date: Web-links to relevant documents:

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					Web-links to relevant documents:	
15 (9)	(FSF 2008)	Supervisory exchange of information and coordination	V.7 To quicken supervisory responsiveness to developments that have a common effect across a number of institutions, supervisory exchange of information and coordination in the development of best practice benchmarks should be improved at both national and international levels.	Ongoing	<p>Implementation ongoing:</p> <p><input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by</p> <p><input type="checkbox"/> Draft regulations/guidelines published as of</p> <p><input type="checkbox"/> Final rules expected to be in force by</p> <p><input checked="" type="checkbox"/> Others, please specify: Since 1997, with support in Law 105/2001, the BCB has established several agreements with national public authorities and also with foreign supervisors. To date, there are MOUs for the exchange of information for supervisory purposes with 18 foreign supervisory authorities</p> <p><input type="checkbox"/> Completed as of</p> <p>Overview (short description) of action(s) taken: The BCB has established 16 agreements with other Brazilian authorities in order to exchange information and coordinate actions. The BCB cooperates with other supervisory agencies of the Brazilian Financial System through Coremec, which is a committee established in 2006 in order to propose</p>	<p>Planned actions (if any): The BCB expects to conclude negotiations with foreign supervisory authorities and to have probably three more MOUs signed by the end of 2012.</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

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					<p>coordinated regulatory and supervisory actions, among other issues.</p> <p>The BCB has also signed 18 agreements with foreign supervisors for the same purpose. These agreements have supported inspections in foreign units of Brazilian banks, inspections in Brazilian units of foreign banks, the participation in supervisory colleges and the exchange of information. There have been 50 letters/e-mails exchanged between the BCB and foreign authorities since August 2012. If deemed necessary, additional agreements may be signed in the future.</p> <p>Web-links to relevant documents:</p>	
16 (10)	(Seoul)	More effective oversight and supervision	We agreed that supervisors should have strong and unambiguous mandates, sufficient independence to act, appropriate resources, and a full suite of tools and powers to proactively identify and address risks, including regular stress testing and	Ongoing	<p>Implementation ongoing:</p> <p><input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by</p> <p><input type="checkbox"/> Draft regulations/guidelines published as of</p> <p><input type="checkbox"/> Final rules expected to be in force by</p> <p><input checked="" type="checkbox"/> Others, please specify: Brazil has a well-defined banking supervision process supported by a legal framework that grants the BCB broad enforcement powers for corrective action and resolution of weak banks . The main</p>	<p>Planned actions (if any):</p> <p>The development of new tools and the improvement of existing ones is constant. New econometric models and an indirect contagion risk model are being developed. There are also plans to integrate tools like stress testing, contagion risk assessments and models of probability of default.</p> <p>Expected commencement date: December 2012</p>

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			early intervention.		<p>instruments are: Law 4,595/1964 (Banking Law), Law 105/2001 (access to banking information and confidentiality), Law 6,024/1974 (banking resolution), Decree-law 2,321/1987 (special administration regime) and Law 9,447/1997 (responsibility of controllers and independent auditors). In addition, the recent Resolution CMN 4,019/2011 provided additional tools regarding preventive prudential measures and early intervention instruments.</p> <p><input type="checkbox"/> Completed as of</p> <p>Overview (short description) of action(s) taken: The legal provisions mentioned above grant supervisors with adequate powers to carry their duties. The BCB performs stress tests on a monthly basis for market risk, credit risk and direct contagion risk as well as stress tests for liquidity risk on a daily basis. Results are published semi-annually in the Financial Stability Report. One important development regarding the regulatory environment was the enactment of Resolution CMN 4,019/2011, which prescribes preventive prudential measures to be required by the supervision in order to ensure the robustness, stability and regular functioning of the National Financial</p>	Web-links to relevant documents:

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					System. Web-links to relevant documents:	
17 (12)	(FSF 2008)	Supervisory resources and expertise to oversee the risks of financial innovation	V.1 Supervisors should see that they have the requisite resources and expertise to oversee the risks associated with financial innovation and to ensure that firms they supervise have the capacity to understand and manage the risks.	Ongoing	<p>Implementation ongoing:</p> <input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by <input type="checkbox"/> Draft regulations/guidelines published as of <input type="checkbox"/> Final rules expected to be in force by <p><input checked="" type="checkbox"/> Others, please specify: Financial institutions are required to have in place a structure for the management of credit, market and operational risks. Such structure must provide an assessment of new products and services from a risk-based perspective. The operational budget of the BCB is established under the provisions of the Brazilian Fiscal Responsibility Law and included in the General Federal Government Budget. Law 4,595/1964 establishes that the BCB has the autonomy to set its technical and administrative framework. Apart from that, the BCB established years ago a permanent training program directed to all members of the supervisory staff.</p>	Planned actions (if any): Expected commencement date: Web-links to relevant documents:

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					<input type="checkbox"/> Completed as of Overview (short description) of action(s) taken: The BCB defines its supervision programs and allocates resources according to its attributions as defined by Law 4,595/1964. Internal training in the supervision area is mainly structured by specialized teams. In order to develop the training program, the specialized supervision teams make efforts to align the training program with recent financial innovations implemented by industry participants. Supervision activities usually join supervisors and examiners during on-site inspections in order to gather data and verify market practices. In addition, the supervisory staff participates in international discussion forums, in order to exchange views and experiences with foreign authorities. This allows the BCB to endorse recommendations and adopt international practices within the Brazilian context. Web-links to relevant documents:	
3. Building and implementing macro-prudential frameworks and tools						
18 (23)	(Lon)	Amendment of regulatory systems to take	Amend our regulatory systems to ensure authorities	Ongoing	Implementation ongoing: <input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by	Planned actions (if any):

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		account of macro-prudential risks	are able to identify and take account of macro-prudential risks across the financial system including in the case of regulated banks, shadow banks and private pools of capital to limit the build up of systemic risk.		<input type="checkbox"/> Draft regulations/guidelines published as of <input type="checkbox"/> Final rules expected to be in force by <input type="checkbox"/> Others, please specify: <input type="checkbox"/> Completed as of Overview (short description) of action(s) taken: In 2011, the BCB established the Financial Stability Committee (Comef), which is responsible for assessing systemic risks and propose policies to mitigate them. Also, the BCB is working on indicators of the financial system stability from a macro-prudential perspective. Other macro-prudential measures will be adopted following the Basel III implementation schedule (Communiqué BCB 20,615/2011) Web-links to relevant documents:	Expected commencement date: Web-links to relevant documents:
19 (24)	(Lon)	Powers for gathering relevant information by national regulators	Ensure that national regulators possess the powers for gathering relevant information on all material financial	Ongoing	Implementation ongoing: <input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by <input type="checkbox"/> Draft regulations/guidelines published as of <input type="checkbox"/> Final rules expected to be in force by	Planned actions (if any): Expected commencement date:

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			institutions, markets and instruments in order to assess the potential for failure or severe stress to contribute to systemic risk. This will be done in close coordination at international level in order to achieve as much consistency as possible across jurisdictions.		<input checked="" type="checkbox"/> Others, please specify: According to Law 4,595/1964 and Law 105/2001, the BCB may request any information from financial institutions, markets and instruments. It also gives the BCB the power to sign agreements with other authorities, both in Brazil and abroad, in order to exchange information and to coordinate joint supervisory actions. According to Resolution CMN 3,883/2010, the provision of incorrect information or the absence of information in specified time limits and conditions established in laws and regulations may give cause to penalties for financial institutions and their managers. <input type="checkbox"/> Completed as of Overview (short description) of action(s) taken: As mentioned above, the BCB has signed 16 agreements with national authorities and other agreements with 18 foreign supervisors. At the domestic level, the BCB participates, together with the supervisors of the Capital, Insurance, Pension Fund and Capital Markets, in the Committee for Regulation and Supervision of Financial, Capital, Insurance, Pension Fund and	Web-links to relevant documents:

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					<p>Capitalization Markets (Coremec), with a view to promote a broad, coordinated and enhanced supervisory action.</p> <p>At the international level, the BCB has established a continuous flow of information exchange; staff was sent to participate in international discussion forums; inspections were conducted in foreign units of Brazilian banks. Also, the BCB has taken part in supervisory colleges and hosted two supervisory colleges in Brazil. These initiatives allowed the BCB to exchange views and join debates on supervisory practices, including the analysis of systemic risk and potential failure.</p> <p>Web-links to relevant documents:</p>	
20 (25)	(FSF 2009)	Use of macro-prudential tools	3.1 Authorities should use quantitative indicators and/or constraints on leverage and margins as macro-prudential tools for supervisory purposes. Authorities should use quantitative indicators of	End-2009 and ongoing	<p>Implementation ongoing:</p> <p><input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by</p> <p><input type="checkbox"/> Draft regulations/guidelines published as of</p> <p><input type="checkbox"/> Final rules expected to be in force by</p> <p><input type="checkbox"/> Others, please specify:</p> <p><input type="checkbox"/> Completed as of</p>	<p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

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	(Cannes)		<p>leverage as guides for policy, both at the institution-specific and at the macro-prudential (system-wide) level... Authorities should review enforcing minimum initial margins and haircuts for OTC derivatives and securities financing transactions.</p> <p>We are developing macro-prudential policy frameworks and tools to limit the build-up of risks in the financial sector, building on the ongoing work of the FSB-BIS-IMF on this subject.</p>		<p>Overview (short description) of action(s) taken: A non risk-based leverage measure is applied solely for monitoring purposes and is not enforced by regulation. Financial institutions are required to register OTC derivative instruments but no initial margins or haircuts are involved. Securities financing transactions are carried out exclusively through clearing and settlement systems, which provide for collateral arrangements. Some other recent macro-prudential measures include: (1) Increase in capital requirements for consumer loan exposures involving longer maturities and higher loan-to-value ratios. The risk weight for such exposures was raised from 100% to 150%; (2) levying of a non-remunerated reserve requirement on short spot FX positions above a specified limit; and (3) Establishment of a minimum payment for credit card bills.</p> <p>Web-links to relevant documents:</p>	
21 (26)	(WAP)	Monitoring of asset price changes	Authorities should monitor substantial changes in asset prices and their implications for the	Ongoing	Implementation ongoing: <input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by <input type="checkbox"/> Draft regulations/guidelines published as of	Planned actions (if any): Expected commencement date:

# (# in brackets are from 2011 template)	G20/FSB Recommendations			Deadline	Progress to Date	Planned Next Steps
			macro economy and the financial system.		<input type="checkbox"/> Final rules expected to be in force by <input type="checkbox"/> Others, please specify: <input type="checkbox"/> Completed as of Overview (short description) of action(s) taken: Based on information filed by supervised institutions as well as by custody services and clearing houses, the BCB periodically performs stress tests for the purpose of monitoring financial stability. Stress tests aim at determining the possible effects of variations in the price of certain market parameters (e.g. loans, interest rates, exchange rates) in the solvency of the financial system as a whole. Stress tests may be performed on an individual institution basis or, for that matter, for a financial conglomerate. The BCB has also developed a methodology for monitoring nationwide changes in real estate prices, but only for internal use. The filed information allows the BCB to verify the prices at which supervised institutions trade their portfolio of marketable securities (acquired or issued). In case any significant discrepancies are found between average market prices and	Web-links to relevant documents:

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					<p>transaction prices, on trading date, the institutions involved must clarify matters to the BCB supervision area. Irregularities in a particular operation may be the cause of penalties to the institution and its managers. In case one or more of the institutions involved in these price-discrepancy events are also regulated or supervised by another governmental entity, this entity is formally warned by the BCB on the identified issues.</p> <p>Web-links to relevant documents:</p>	
22 (27)	(FSF 2008)	Improved cooperation between supervisors and central banks	V.8 Supervisors and central banks should improve cooperation and the exchange of information including in the assessment of financial stability risks. The exchange of information should be rapid during periods of market strain.	Ongoing	<p>Implementation ongoing:</p> <p><input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by</p> <p><input type="checkbox"/> Draft regulations/guidelines published as of</p> <p><input type="checkbox"/> Final rules expected to be in force by</p> <p><input type="checkbox"/> Others, please specify:</p> <p><input checked="" type="checkbox"/> Completed as of 2006</p> <p>Overview (short description) of action(s) taken: There is an agreement for information-sharing between banking regulator (BCB) and capital markets regulator (CVM). Also,</p>	<p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

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					banking, capital market and insurance regulator established a specific high-level coordination committee of financial authorities (Coremec). Web-links to relevant documents:	
4. Improving oversight of credit rating agencies						
23 (35)	(Lon)	Registration of CRAs etc.	All CRAs whose ratings are used for regulatory purposes should be subject to a regulatory oversight regime that includes registration. The regulatory oversight regime should be established by end 2009 and should be consistent with the IOSCO Code of Conduct Fundamentals.	End-2009	Implementation ongoing: <input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by <input type="checkbox"/> Draft regulations/guidelines published as of <input checked="" type="checkbox"/> Final rules expected to be in force by the end of April 2012, contemplating all topics of IOSCO Code of Conduct. <input type="checkbox"/> Others, please specify: <input type="checkbox"/> Completed as of Overview (short description) of action(s) taken: Web-links to relevant documents:	Planned actions (if any): Expected commencement date: Web-links to relevant documents:
24 (36)	(Lon)	CRA practices and procedures	National authorities will enforce	End-2009	Implementation ongoing: <input type="checkbox"/> Draft regulations/guidelines being	Planned actions (if any):

# (# in brackets are from 2011 template)	G20/FSB Recommendations		Deadline	Progress to Date	Planned Next Steps	
		etc.	<p>compliance and require changes to a rating agency's practices and procedures for managing conflicts of interest and assuring the transparency and quality of the rating process.</p> <p>CRA's should differentiate ratings for structured products and provide full disclosure of their ratings track record and the information and assumptions that underpin the ratings process.</p> <p>The oversight framework should be consistent across jurisdictions with appropriate sharing of information between national authorities,</p>		<p>developed, expected publication by</p> <p><input type="checkbox"/> Draft regulations/guidelines published as of</p> <p><input checked="" type="checkbox"/> Final rules expected to be in force by end of April 2012</p> <p><input type="checkbox"/> Others, please specify:</p> <p><input type="checkbox"/> Completed as of</p> <p>Overview (short description) of action(s) taken:</p> <p>Web-links to relevant documents:</p>	<p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

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			including through IOSCO.			
25 (37)	(FSB 2009)	Globally compatible solutions to conflicting compliance obligations for CRAs	Regulators should work together towards appropriate, globally compatible solutions (to conflicting compliance obligations for CRAs) as early as possible in 2010.	As early as possible in 2010	<p>Implementation ongoing:</p> <input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by <input type="checkbox"/> Draft regulations/guidelines published as of <input checked="" type="checkbox"/> Final rules expected to be in force by end of April 2012. <input type="checkbox"/> Others, please specify: <input type="checkbox"/> Completed as of Overview (short description) of action(s) taken: CVM takes part in the IOSCO Standing Committee 6 (SC6) that discusses CRA regulations. Additionally, CVM is about to sign a MOU with ESMA establishing cooperation in the supervision of CRAs. Web-links to relevant documents:	<p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>
26 (38)	(Seoul)	Reducing the reliance on ratings	We also endorsed the FSB's principles on reducing reliance on external credit	Ongoing	<p>No response required for this survey.</p> <p>Please refer to national summary tables in <i>Progress Report on Reducing Reliance on CRA Ratings</i> (forthcoming).</p>	

# (# in brackets are from 2011 template)	G20/FSB Recommendations			Deadline	Progress to Date	Planned Next Steps
	(FSF 2008)		<p>ratings. Standard setters, market participants, supervisors and central banks should not rely mechanistically on external credit ratings.</p> <p>IV. 8 Authorities should check that the roles that they have assigned to ratings in regulations and supervisory rules are consistent with the objectives of having investors make independent judgment of risks and perform their own due diligence, and that they do not induce uncritical reliance on credit ratings as a substitute for that independent evaluation.</p>			

# (# in brackets are from 2011 template)	G20/FSB Recommendations		Deadline	Progress to Date	Planned Next Steps	
	(Cannes)		We reaffirm our commitment to reduce authorities' and financial institutions' reliance on external credit ratings, and call on standard setters, market participants, supervisors and central banks to implement the agreed FSB principles and end practices that rely mechanistically on these ratings.			
5. Enhancing and aligning accounting standards						
27 (28)	(WAP)	Consistent application of high-quality accounting standards	Regulators, supervisors, and accounting standard setters, as appropriate, should work with each other and the private sector on an ongoing basis to ensure consistent application and enforcement of high-quality	Ongoing	Implementation ongoing: <input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by <input type="checkbox"/> Draft regulations/guidelines published as of <input type="checkbox"/> Final rules expected to be in force by <input type="checkbox"/> Others, please specify: <input checked="" type="checkbox"/> Completed as of 2009	Planned actions (if any): Expected commencement date: Web-links to relevant documents:

# (# in brackets are from 2011 template)	G20/FSB Recommendations			Deadline	Progress to Date	Planned Next Steps
			accounting standards.		<p>Overview (short description) of action(s) taken: The BCB regulates, supervises and sets accounting standards for financial institutions. Financial institutions have applied IFRS on a consolidated basis since 2010.</p> <p>Web-links to relevant documents:</p>	
28 (30)	(FSF 2009)	The use of valuation reserves or adjustments by accounting standard setters and supervisors	3.4 Accounting standard setters and prudential supervisors should examine the use of valuation reserves or adjustments for fair valued financial instruments when data or modelling needed to support their valuation is weak.	End-2009	<p>Implementation ongoing:</p> <input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by <input type="checkbox"/> Draft regulations/guidelines published as of <input type="checkbox"/> Final rules expected to be in force by <input type="checkbox"/> Others, please specify: <input checked="" type="checkbox"/> Completed as of 2002 <p>Overview (short description) of action(s) taken: Fair valuation of financial instruments was introduced in Brazilian financial system in 2001. Measures implemented achieved their intended results. Valuation of financial instruments is routinely subject to</p>	<p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

# (# in brackets are from 2011 template)	G20/FSB Recommendations			Deadline	Progress to Date	Planned Next Steps
					supervision. Web-links to relevant documents:	
29 (31)	(FSF 2009)	Dampening of dynamics associated with FVA.	3.5 Accounting standard setters and prudential supervisors should examine possible changes to relevant standards to dampen adverse dynamics potentially associated with fair value accounting. Possible ways to reduce this potential impact include the following: (1) Enhancing the accounting model so that the use of fair value accounting is carefully examined for financial instruments of credit intermediaries; (ii) Transfers between financial asset categories; (iii) Simplifying hedge	End-2009	<p>Implementation ongoing:</p> <p><input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by</p> <p><input type="checkbox"/> Draft regulations/guidelines published as of</p> <p><input checked="" type="checkbox"/> Final rules expected to be in force by the end of 2012.</p> <p>The IASB intends to finalize the revision of IAS 39, including changes in fair value and hedge accounting, by 2012-end.</p> <p><input type="checkbox"/> Others, please specify:</p> <p><input type="checkbox"/> Completed as of</p> <p>Overview (short description) of action(s) taken: The BCB follows closely the current discussion of these issues, concerning the revision of IAS 39 and participates in the Accounting Task Force of the BCBS. Moreover, financial institutions have applied IFRS on a consolidated basis since 2010.</p> <p>Web-links to relevant documents:</p>	<p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

# (# in brackets are from 2011 template)	G20/FSB Recommendations			Deadline	Progress to Date	Planned Next Steps
			accounting requirements.			
6. Strengthening adherence to international financial standards						
30 (32)	(Lon)	<p>Adherence to international prudential regulatory and supervisory standards, as well as agreeing to undergo FSAP/ FSB periodic peer reviews</p> <p>(Note) Please try to prioritise any major initiatives conducted specifically in your jurisdiction</p>	<p>We are committed to strengthened adherence to international prudential regulatory and supervisory standards.</p> <p>FSB members commit to pursue the maintenance of financial stability, enhance the openness and transparency of the financial sector, implement international financial standards, and agree to undergo periodic peer reviews, using among other evidence IMF / World Bank FSAP reports.</p>	Ongoing	<p>Implementation ongoing:</p> <p><input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by</p> <p><input type="checkbox"/> Draft regulations/guidelines published as of</p> <p><input checked="" type="checkbox"/> Final rules expected to be in force by January 1st, 2013</p> <p><input type="checkbox"/> Others, please specify:</p> <p><input type="checkbox"/> Completed as of</p> <p>Overview (short description) of action(s) taken: Brazil undertook an FSAP exercise, whose final report is expected by mid-2012. The above-mentioned report was preceded by a self-assessment exercise conducted by the BCB in 2010 on compliance with the BCBS Core Principles for Effective Banking Supervision.</p> <p>Web-links to relevant documents:</p>	<p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

# (# in brackets are from 2011 template)	G20/FSB Recommendations		Deadline	Progress to Date	Planned Next Steps	
7. Enhancing risk management						
31 (4)	(WAP)	Enhancing guidance to strengthen banks' risk management practices	Regulators should develop enhanced guidance to strengthen banks' risk management practices, in line with international best practices, and should encourage financial firms to re-examine their internal controls and implement strengthened policies for sound risk management.	Ongoing	<p>Implementation ongoing:</p> <input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by <input type="checkbox"/> Draft regulations/guidelines published as of <input type="checkbox"/> Final rules expected to be in force by	<p>Planned actions (if any):</p> <p>At present, there are no ongoing regulation proposals or efforts to change stress testing practices. Brazil is still in the process of implementing Basel II, including Pillar 2.</p> <p>Considering the BCBS guidelines and banking industry practices, the BCB is reviewing its supervisory practices, under the current regulatory framework, in order to adopt any actions deemed necessary.</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>
32 (4)	(FSF 2009)	Validation of adequacy of banks' capital buffers	1.4 Supervisors should use the BCBS enhanced stress testing practices as a	Ongoing	<p>Implementation ongoing:</p> <input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by <input type="checkbox"/> Draft regulations/guidelines published as of	<p>Planned actions (if any):</p> <p>Follow up of the timeline for implementation of the framework for managing capital requirement, as established by Resolution CMN</p>

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			critical part of the Pillar 2 supervisory review process to validate the adequacy of banks' capital buffers above the minimum regulatory capital requirement.		<input type="checkbox"/> Final rules expected to be in force by <input checked="" type="checkbox"/> Others, please specify: Resolution CMN 3,988/2011 established that the financial institutions must implement until 2013 a framework for capital management, including an Internal Capital Adequacy Assessment Process (Icaap). Circular BCB 3,547/2011 requires that Icaap procedures must include, among other aspects, the conduction of stress tests and their impacts on capital. <input type="checkbox"/> Completed as of Overview (short description) of action(s) taken: The BCB established several workgroups during 2011 in order to study the implementation of a framework for managing capital requirements by market players. This action resulted in Resolution CMN 3,988/2011 and Circular BCB 3,547/2011, establishing a framework for managing the capital adequacy to be implemented by supervised institutions during a timeline starting on Jan/2012 and ending on Jun/2013. Web-links to relevant documents:	3,988/2011. Expected commencement date: January 2012 Web-links to relevant documents:

# (# in brackets are from 2011 template)	G20/FSB Recommendations		Deadline	Progress to Date	Planned Next Steps	
33 (4)	(FSF 2008)	Monitoring the implementation of updated guidance on liquidity risk	II.10 National supervisors should closely check banks' implementation of the updated guidance on the management and supervision of liquidity as part of their regular supervision. If banks' implementation of the guidance is inadequate, supervisors will take more prescriptive action to improve practices.	Ongoing	<p>Implementation ongoing:</p> <p><input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by</p> <p><input type="checkbox"/> Draft regulations/guidelines published as of</p> <p><input type="checkbox"/> Final rules expected to be in force by</p> <p><input checked="" type="checkbox"/> Others, please specify: Resolution CMN 2,804/2000 established that financial institutions supervised by the BCB must implement a framework for managing liquidity risk. Apart from that, Brazil implemented in 2002 a highly automated system of payments, based on real-time settlement. This system provides an advanced environment for banks to control their intra-day liquidity.</p> <p><input type="checkbox"/> Completed as of</p> <p>Overview (short description) of action(s) taken: According to the Resolution CMN 2,804/2000, the framework for managing the liquidity risk must be adequate to the complexity and volume of operations conducted by the financial institution. The resolution also sets guidelines that must be observed by the institution when implementing liquidity controls. Brazilian System of Payments (SPB)</p>	<p>Planned actions (if any): The BCB has conducted studies regarding the provisions of Resolution 2,804/2000 in order to update it. The BCBS document "Principles for Sound Liquidity Risk Management and Supervision" was endorsed during these discussions. New CMN regulation is expected to be issued in the next few months. Apart from that, the BCB participated in the Quantitative Impact Study (QIS), in order to assess the impact on the Brazilian financial system of the adoption of the proposals contained in the BCBS document "International Framework for Liquidity Risk measurement standards and monitoring", issued Dec/2009. Proposals of new regulations specifically regarding the provisions of this document are being discussed by the Supervision.</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

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					<p>employs a delivery-versus-payment model, which reduces transaction risk and, consequently, systemic risk. During daily management of cash, the settlement of operations will be prevented in case of an insufficiency of funds in the reserves account of a financial institution at the BCB.</p> <p>The SPB allows the BCB to gather information on banks' assets and liabilities from sources like the BCB-operated systems for funds transfer (Reserves Transfer System-STR) or for settlement of treasuries (Special System for Settlement and Custody-Selic), as well as from private clearing houses, in order to subsidize liquidity risk monitoring on a daily basis. Besides that, the on-site supervision of liquidity risk management takes place periodically or as a specific supervisory work as a result of an early warning of weakness provided by the supervisor or the off-site monitoring department.</p> <p>Web-links to relevant documents:</p>	
34 (4)	(FSB 2009)	Enhancing banks' operations in foreign currency	Regulators and supervisors in emerging markets will enhance their supervision of	Ongoing	<p>Implementation ongoing:</p> <p><input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by</p> <p><input type="checkbox"/> Draft regulations/guidelines published as of</p>	<p>Planned actions (if any):</p> <p>Expected commencement date:</p>

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		funding markets	banks' operation in foreign currency funding markets.		<input type="checkbox"/> Final rules expected to be in force by <input checked="" type="checkbox"/> Others, please specify: Circular BCB 3,474/2009 established the mandatory registration in Brazilian clearing systems of derivatives contracted by Brazilian banks' foreign branches. Resolution CMN 3,622/2008 regulates the provision of collateralized foreign currency loans to the financial system. <input type="checkbox"/> Completed as of Overview (short description) of action(s) taken: Resolution CMN 3,488/2007 sets a limit to the exposure in foreign currencies and gold. This limit is 30% of the institution's Regulatory Capital on a consolidated basis. Netting is permitted by currency and partially across strongly correlated currencies. To this net exposure is added the net cross border exposure in different jurisdictions (Brazil vs. foreign countries). Off-balance sheet items must be considered when calculating the exposure. The banking supervision staff has taken a stance on adopting a more critical view on the role of liquidity lines from foreign sources in contingency plans.	Web-links to relevant documents:

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					<p>Circular BCB 3,474/2009 was issued during the recent crisis with a view to provide a better monitoring of foreign exchange exposures. It also intended to increase transparency in derivatives operations. Resolution CMN 3,622/2008 focused primarily on financing of foreign trade, funded in Brazilian external reserves.</p> <p>Web-links to relevant documents:</p>	
35 (39)	(Pitts)	Robust, transparent stress test	We commit to conduct robust, transparent stress tests as needed.	Ongoing	<p>Implementation ongoing:</p> <p><input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by</p> <p><input type="checkbox"/> Draft regulations/guidelines published as of</p> <p><input type="checkbox"/> Final rules expected to be in force by</p> <p><input type="checkbox"/> Others, please specify:</p> <p><input checked="" type="checkbox"/> Completed as of June 2007</p> <p>Overview (short description) of action(s) taken: Stress tests across the national financial system have been periodically carried out by the BCB, considering both specific and macro shocks. Rules on the management of credit, market</p>	<p>Planned actions (if any): A general bank regulation on stress tests criteria for all risk drivers is under study.</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

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					<p>and operational risks require financial institutions to conduct stress tests.</p> <p>Web-links to relevant documents:</p>	
36 (40)	(Pitts)	Efforts to deal with impaired assets and raise additional capital	Our efforts to deal with impaired assets and to encourage the raising of additional capital must continue, where needed.	Ongoing	<p>Implementation ongoing:</p> <p><input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by</p> <p><input type="checkbox"/> Draft regulations/guidelines published as of</p> <p><input type="checkbox"/> Final rules expected to be in force by</p> <p><input type="checkbox"/> Others, please specify:</p> <p><input type="checkbox"/> Completed as of</p> <p>Overview (short description) of action(s) taken: Brazilian banks were not exposed to impaired assets and were well capitalized. As a consequence, no government rescue operations were necessary.</p> <p>Web-links to relevant documents:</p>	<p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

# (# in brackets are from 2011 template)	G20/FSB Recommendations		Deadline	Progress to Date	Planned Next Steps	
37 (41)	(WAP)	Enhanced risk disclosures by financial institutions	Financial institutions should provide enhanced risk disclosures in their reporting and disclose all losses on an ongoing basis, consistent with international best practice, as appropriate.	Ongoing	<p>Implementation ongoing:</p> <input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by <input type="checkbox"/> Draft regulations/guidelines published as of <input type="checkbox"/> Final rules expected to be in force by <input type="checkbox"/> Others, please specify: <input checked="" type="checkbox"/> Completed as of 2009 <p>Overview (short description) of action(s) taken: In 2009, the BCB issued regulation establishing a set of comprehensive requirements aiming at the improvement of information disclosure on risks faced by financial institutions, in line with Pillar 3 recommendations of Basel II. Quantitative information about risks, including exposures arising from securitization, must be released quarterly, while information of a qualitative nature, especially when related to risk management procedures, must be reported at least annually. At the same time, the decision to adopt international accounting standards favoured alignment of accounting information disclosure requirements with prudential</p>	<p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

# (# in brackets are from 2011 template)	G20/FSB Recommendations			Deadline	Progress to Date	Planned Next Steps
					<p>ones, including the disclosure of losses incurred.</p> <p>Web-links to relevant documents:</p>	
8. Strengthening deposit insurance						
38 (42)	(FSF 2008)	Review of national deposit insurance arrangements	VI.9 National deposit insurance arrangements should be reviewed against the agreed international principles, and authorities should strengthen arrangements where needed.	Ongoing	<p>No response required for this survey.</p> <p>Please refer to peer review report on deposit insurance systems published in February 2012, available at: http://www.financialstabilityboard.org/publications/r_120208.pdf</p>	
9. Safeguarding the integrity and efficiency of financial markets						
39 (new)	(Cannes)	Market integrity and efficiency	We must ensure that markets serve efficient allocation of investments and savings in our economies and do not pose risks to financial stability. To this end, we commit to implement initial	Ongoing	<p>Implementation ongoing:</p> <p><input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by</p> <p><input type="checkbox"/> Draft regulations/guidelines published as of</p> <p><input type="checkbox"/> Final rules expected to be in force by</p> <p><input type="checkbox"/> Others, please specify:</p>	<p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

# (# in brackets are from 2011 template)	G20/FSB Recommendations			Deadline	Progress to Date	Planned Next Steps
			recommendations by IOSCO on market integrity and efficiency, including measures to address the risks posed by high frequency trading and dark liquidity, and call for further work by mid-2012.		<input checked="" type="checkbox"/> Completed as of 2007 Overview (short description) of action(s) taken: Brazil is compliant with all five IOSCO recommendations on market integrity and efficiency: Rec. 1: Rule CVM 461/2007 establishes principles for equitability and competition; Rec. 2: There are trading control procedures (circuit breaker, auctions). Rule CVM 168/1991 and Stock Exchange by-laws. Rec 3: There are no unregulated entities participating in direct trading mechanisms and clients with direct access have orders filtered. Rec. 4 and 5: CVM has recently improved surveillance by a new market surveillance system. Web-links to relevant documents:	
40 (new)	(Cannes)	Enhanced market transparency in commodity markets	We need to ensure enhanced market transparency, both on cash and financial commodity markets, including OTC, and achieve appropriate regulation and	Ongoing	Implementation ongoing: <input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by <input type="checkbox"/> Draft regulations/guidelines published as of <input type="checkbox"/> Final rules expected to be in force by <input type="checkbox"/> Others, please specify:	Planned actions (if any): Expected commencement date: Web-links to relevant documents:

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			<p>supervision of participants in these markets. Market regulators and authorities should be granted effective intervention powers to address disorderly markets and prevent market abuses. In particular, market regulators should have, and use formal position management powers, including the power to set ex-ante position limits, particularly in the delivery month where appropriate, among other powers of intervention. We call on IOSCO to report on the implementation of its recommendations by the end of 2012</p>		<p><input checked="" type="checkbox"/> Completed as of 2007</p> <p>Overview (short description) of action(s) taken: The regulatory framework ensures full compliance with IOSCO recommendations regarding enhanced market transparency in commodity markets. Since the 1990's all derivatives (both exchange-traded and OTC) must be registered, and Law 10,303/2001 brought all derivatives contracts under the supervision of CVM. Law 12,543/2011 states that non-registered contracts are illegal. Rule CVM 461/2007 grants powers to the Market Authority to cancel trades that might be regarded as a breach of the law or as a violation of any rules in the organized market. CVM only approves commodity derivatives contracts whose price reporting process of underlying assets follows a robust and verifiable methodology. Spot reference prices for settlement purposes are published daily by a major stock, futures and commodities exchange (BM&FBovespa), and the price reporting methodology has received ISO 9001:2008 certification on 2011.</p>	

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					Web-links to relevant documents:	
10. Enhancing consumer protection						
41 (new)	(Cannes)	Financial consumer protection	We agree that integration of financial consumer protection policies into regulatory and supervisory frameworks contributes to strengthening financial stability, endorse the FSB report on consumer finance protection and the high level principles on financial consumer protection prepared by the OECD together with the FSB. We will pursue the full application of these principles in our jurisdictions.	Ongoing	<p>Implementation ongoing:</p> <input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by <input type="checkbox"/> Draft regulations/guidelines published as of <input type="checkbox"/> Final rules expected to be in force by <p><input type="checkbox"/> Others, please specify:</p> <p><input type="checkbox"/> Completed as of</p> <p>Overview (short description) of action(s) taken: Brazil partially fulfills the High Level Principles on Financial Consumer Protection and is working on improving the institutional framework for consumer protection. Responsibilities for this topic are currently shared between the BCB (the bank supervisor), CVM (the securities regulator) and the Ministry of Justice (handling of consumers complaints). It is also implementing a national strategy for financial education (Decree 7,397), and for many years now the CMN, BCB and CVM have produced regulations aiming at</p>	<p>Planned actions (if any): The CVM is working on regulations concerning suitability and standardized financial statements for mutual funds, which is expected to be in force in 2013.</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

# (# in brackets are from 2011 template)	G20/FSB Recommendations			Deadline	Progress to Date	Planned Next Steps
					<p>improving relationship with customers of financial services, including the following aspects: i) transparency (standardized disclosure of service fees and cost of loans, information on bank fees, rates and complaints on BCB's website); ii) suitability; iii) reduction of switching costs (mandatory availability of personal data, simplified transfer of loans, salary transfer to other banks, free of charge); and iv) mandatory customer service (ombudsman).</p> <p>Web-links to relevant documents:</p>	

Origin of recommendations:

Cannes: The Cannes Summit Final Declaration (3-4 November 2011)

Seoul: The Seoul Summit Document (11-12 November 2010)

Pitts: Leaders' Statement at the Pittsburgh Summit (25 September 2009)

Lon: The London Summit Declaration on Strengthening the Financial System (2 April 2009)

Tor: The G-20 Toronto Summit Declaration (26-27 June 2010)

WAP: The Washington Summit Action Plan to Implement Principles for Reform (15 November 2008)

FSF 2008: The FSF Report on Enhancing Market and Institutional Resilience (7 April 2008)

FSF 2009: The FSF Report on Addressing Procyclicality in the Financial System (2 April 2009)

FSB 2009: The FSB Report on Improving Financial Regulation (25 September 2009)

Index of acronyms

Example:

FSB: Financial Stability Board

BCB: Central Bank of Brazil

Coremec: Committee for Regulation and Supervision of Financial, Capital, Insurance, Pension Funds and Capitalization Markets

CMN: National Monetary Council

CVM: Securities and Exchange Commission of Brazil

SFN: National Financial System