Jurisdiction:	*Brazil*

2017 IMN Survey of National Progress in the Implementation of G20/FSB Recommendations

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No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
I.	**Hedge funds**				
1 (1)	Registration, appropriate disclosures and oversight of hedge funds	We also firmly recommitted to work in an internationally consistent and non-discriminatory manner to strengthen regulation and supervision on hedge funds. (Seoul) 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 adequate risk management. (London)	Implementation of this recommendation was reported to be completed by all FSB jurisdictions in the 2016 IMN survey. Given this, the reporting of progress with respect to this recommendation will take place every 2-3 years henceforth (i.e. in 2019 or 2020).		

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2 (2)	Establishment of international information sharing framework	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. (London)	Jurisdictions should indicate the progress made in implementing recommendation 6 in IOSCO's *Report on Hedge Fund Oversight (Jun 2009)* on sharing information to facilitate the oversight of globally active fund managers. In addition, jurisdictions should state whether they are: - Signatory to the IOSCO MMoU in relation to cooperation in enforcement - Signatory to bilateral agreements for supervisory cooperation that cover hedge funds and are aligned to the 2010 IOSCO *Principles Regarding Cross-border Supervisory Cooperation.* Jurisdictions can also refer to Principle 28 of the 2010 IOSCO *Objectives and Principles of Securities* Regulation, and take into account the outcomes of any recent FSAP/ROSC assessment against those Principles.	☐**Not applicable** ☐**Applicable but no action envisaged at the moment** *If "Not applicable" or "Applicable but no action envisaged …" has been selected, please provide a brief justification:* ☐**Implementation ongoing:** *Status of progress [for legislation and regulation/guidelines only]:* ☐Draft in preparation, expected publication by: ☐Draft published as of: ☐Final rule or legislation approved and will come into force on: ☐Final rule (for part of the reform) in force since: ☒**Implementation completed as of:** 2013 **Issue is being addressed through:** ☐Primary / Secondary legislation ☐Regulation /Guidelines ☒Other actions (such as supervisory actions), please specify: Establishment of bilateral Supervisory Memoranda of Understanding (MOUs). **Short description of the content of the legislation/ regulation/guideline:** Legislation grants CVM sufficient powers to enter into international agreements with supervisory authorities. In addition to being a signatory to the IOSCO MMoU, CVM has signed supervisory MOUs with the US Financial Industry Regulation Authority	**If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation:** **Planned actions (if any) and expected commencement date:** **Web-links to relevant documents:**

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				(FINRA) and with the European Securities and Markets Authority (ESMA). **Highlight main developments since last year's survey:** **Web-links to relevant documents:**	

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3 (3)	Enhancing counterparty risk management	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. (London) Supervisors will strengthen their existing guidance on the management of exposures to leveraged counterparties. (Rec. II.17, FSF 2008)	Jurisdictions should indicate specific policy measures taken for enhancing counterparty risk management and strengthening their existing guidance on the management of exposure to leveraged counterparties. In particular, jurisdictions should indicate whether they have implemented recommendation 3 of the IOSCO *Report on Hedge Fund Oversight (Jun 2009)*. In their responses, jurisdictions should not provide information on the portion of this recommendation that pertains to Basel III, since it is monitored separately by the BCBS. Jurisdictions can also refer to Principle 28 of the 2010 IOSCO *Objectives and Principles of Securities* Regulation, and take into account the outcomes of any recent FSAP/ROSC assessment against those Principles.	☐**Not applicable** ☐**Applicable but no action envisaged at the moment** *If "Not applicable" or "Applicable but no action envisaged …" has been selected, please provide a brief justification:* ☐**Implementation ongoing:** *Status of progress [for legislation and regulation/guidelines only]:* ☐Draft in preparation, expected publication by: ☐Draft published as of: ☐Final rule or legislation approved and will come into force on: ☐Final rule (for part of the reform) in force since: ☒**Implementation completed as of:** 2013 **Issue is being addressed through:** ☐Primary / Secondary legislation ☒Regulation /Guidelines ☐Other actions (such as supervisory actions), please specify: **Short description of the content of the legislation/ regulation/guideline:** Principle 2.iii of the IOSCO Report is not applicable in Brazil because funds are not allowed to take loans. CVM analyses data received from funds, from the Stock Exchange (BM&F-Bovespa) and from the trade repository CETIP on OTC transactions, in order to perform a continuous assessment of funds' leverage levels. Derivatives are the most relevant	**Planned actions (if any) and expected commencement date:** **Web-links to relevant documents:**

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				source of leverage for hedge funds, and most transactions are traded in an exchange environment, with margin requirements calculated by an independent third party (the exchange itself) and adjusted on a daily basis. CVM has in place a comprehensive supervision on liquidity management practices of funds, including a review of the adequacy of stress tests conducted and actions on mark-to-market practices. CVM has established a Task Force to review regulation on funds' leverage and to develop ways for improving supervision. **Highlight main developments since last year's survey:** **Web-links to relevant documents:**	

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II. Securitisation					
4 (4)	Strengthening of regulatory and capital framework for monolines	Insurance supervisors should strengthen the regulatory and capital framework for monoline insurers in relation to structured credit. (Rec II.8, FSF 2008)	Implementation of this recommendation was reported to be completed by all FSB jurisdictions in the 2016 IMN survey. Given this, the reporting of progress with respect to this recommendation will take place every 2-3 years henceforth (i.e. in 2019 or 2020).		

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5 (5)	Strengthening of supervisory requirements or best practices for investment in structured products	Regulators of institutional investors should strengthen the requirements or best practices for firms' processes for investment in structured products. (Rec II.18, FSF 2008)	Jurisdictions should indicate the due diligence policies, procedures and practices applicable for investment managers when investing in structured finance instruments and other policy measures taken for strengthening best practices for investment in structured finance products. Jurisdictions may reference IOSCO's report on *Good Practices in Relation to Investment Managers´ Due Diligence When Investing in Structured Finance Instruments (Jul 2009).* Jurisdictions may also refer to the Joint Forum report on *Credit Risk Transfer-Developments from 2005-2007 (Jul 2008).*	☐**Not applicable** ☐**Applicable but no action envisaged at the moment** *If "Not applicable" or "Applicable but no action envisaged …" has been selected, please provide a brief justification:* ☐**Implementation ongoing:** *Status of progress [for legislation and regulation/guidelines only]:* ☐Draft in preparation, expected publication by: ☐Draft published as of: ☐Final rule or legislation approved and will come into force on: ☐Final rule (for part of the reform) in force since: ☒**Implementation completed as of:** 2010 **Issue is being addressed through:** ☐Primary / Secondary legislation ☒Regulation /Guidelines ☐Other actions (such as supervisory actions), please specify: **Short description of the content of the legislation/ regulation/guideline:** Applicable regulation imposes the overarching duty on investment managers to act in the best interests of their clients (Instruction CVM 558 of 2015, article 16). Specific provisions on this issue can also be found in funds regulation (Instruction CVM 555 of 2014, article 92, reinforcing the obligation of due diligence). CVM's Investment Management Department	**If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation:** **Planned actions (if any) and expected commencement date:** **Web-links to relevant documents:**

				frequently issues guidance regarding the best practices for compliance with the mentioned rules. This is the case of Guidance Letters 2 of 2010 and 6 of 2014, which aim at ensuring that investors are able to assess the characteristics of specific products offered by financial intermediaries. Resolution CMN 4,263 of 2013 regulates the conditions for the issuance of Structured Operations Certificates (COE) and presents a series of provisions designed to ensure the adequacy of the product to its target audience and its broad understanding by investors. Not only the issuer, but also institutions taking part in the process of distribution or negotiation of COE, must implement policies and procedures to ensure the adequacy of the product to the investors´ profile, observing their needs, interests and goals. In addition, these certificates must be registered in a very detailed form, including the identification of their final counterparties, in a FMI (Financial Market Infrastructure) authorized by CVM or BCB, thus allowing transactions to be monitored and processed in a transparent, safe and efficient environment. In December 2014, CVM published an extensive guidance on best practices for investing in non-sovereign debt assets. **Highlight main developments since last year's survey:** **Web-links to relevant documents:**	

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6 (6)	Enhanced disclosure of securitised products	Securities market regulators should work with market participants to expand information on securitised products and their underlying assets. (Rec. III.10-III.13, FSF 2008)	Jurisdictions should indicate the policy measures and other initiatives taken in relation to enhancing disclosure of securitised products, including working with industry and other authorities to continue to standardise disclosure templates and considering measures to improve the type of information that investors receive. See, for reference, IOSCO's *Report on Principles for Ongoing Disclosure for Asset-Backed Securities (Nov 2012), Disclosure Principles for Public Offerings and Listings of Asset-Backed Securities (Apr 2010)* and *report on Global Developments in Securitisation Regulations (November 2012)*, in particular recommendations 4 and 5.	☐**Not applicable** ☐**Applicable but no action envisaged at the moment** *If "Not applicable" or "Applicable but no action envisaged …" has been selected, please provide a brief justification:* ☐**Implementation ongoing:** *Status of progress [for legislation and regulation/guidelines only]:* ☐Draft in preparation, expected publication by: ☐Draft published as of: ☐Final rule or legislation approved and will come into force on: ☐Final rule (for part of the reform) in force since: ☒**Implementation completed as of:** 2012 **Issue is being addressed through:** ☐Primary / Secondary legislation ☒Regulation /Guidelines ☐Other actions (such as supervisory actions), please specify: **Short description of the content of the legislation/ regulation/guideline:** In 2013, CVM issued rules concerning asset-backed securities (in Brazil, this role is primarily played by receivable funds – FIDC) and addressing several securitization aspects, such as conflict of interest, cash flow, division of responsibilities among service providers, etc.	**If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation:** **Planned actions (if any) and expected commencement date:** In 2017, CVM expects to issue regulation regarding the monthly disclosure of new information by FIDCs, focusing on provisions according to portfolio composition and the collaterals involved. The public consultation regarding this issue was finished in January 2016. During this year, CVM also expects to launch a public consultation on new rules for the securitization of agribusiness backed securities, in order to align the requirements for structuring and disclosure of securitization products. The new rules are expected to be issued in 2017. In 2018, CVM intends to issue a public consultation on rules related to mortgage-backed securities (MBS), aiming at a better structuring of this product and taking into consideration the 2012 CVM rules on disclosure. **Web-links to relevant documents:**

FSB FINANCIAL STABILITY BOARD

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				Highlight main developments since last year's survey: **Web-links to relevant documents:**	

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III.	**Enhancing supervision**				
7 (7)	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. (Pittsburgh)	Jurisdictions should indicate: (1) whether they have identified domestic SIFIs and, if so, in which sectors (banks, insurers, other etc.); (2) whether the names of the identified SIFIs have been publicly disclosed; and (3) the types of policy measures taken for implementing consistent, consolidated supervision and regulation of the identified SIFIs. Jurisdictions should not provide details on policy measures that pertain to higher loss absorbency requirements for G/D-SIBs, since these are monitored separately by the BCBS. See, for reference, the following documents: BCBS: • *Framework for G-SIBs (Jul 2013)* • *Framework for D-SIBs (Oct 2012)* IAIS: • *Global Systemically Important Insurers: Policy Measures (Jul 2013) and revised assessment methodology (updated in June 2016)* • *IAIS SRMP guidance - FINAL (Dec 2013)*	☐**Not applicable** ☐**Applicable but no action envisaged at the moment** *If "Not applicable" or "Applicable but no action envisaged ..." has been selected, please provide a brief justification:* ☐**Implementation ongoing:** *Status of progress [for legislation and regulation/guidelines only]:* ☐Draft in preparation, expected publication by: ☐Draft published as of: ☐Final rule or legislation approved and will come into force on: ☐Final rule (for part of the reform) in force since: ☒**Implementation completed as of:** March, 2015 (G-SIBs) and October, 2015 (D-SIBs) **Issue is being addressed through:** ☐Primary / Secondary legislation ☒Regulation /Guidelines ☐Other actions (such as supervisory actions), please specify: **Short description of the content of the legislation/ regulation/guideline:** Circular BCB 3,751 of 2015 prescribes the annual assessment of G-SIB nature by Brazilian banks. Currently, no institution headquartered in Brazil is deemed a G-SIB. BCB undertook an	**Planned actions (if any) and expected commencement date:** **Web-links to relevant documents:**

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			• *Guidance on Liquidity management and planning (Oct 2014)* FSB: • *Framework for addressing SIFIs (Nov 2011)*	assessment on whether local banks should be considered systemically important in a domestic context. As a result, Resolution CMN 4,443 of 2015 was published. This regulation contains the systemic buffer definition, phase-in schedule and associated constraints. Circular BCB 3,768 of 2015 was also published, containing the identification methodology, bucketing approach and disclosure requirements. D-SIBs names are not explicitly disclosed by BCB, but all information needed to apply the methodology is publicly available. The SIFIs identification methodology is referred to in other regulations as part of BCB´s proportional approach to regulation. As a result, D-SIBs are subject to higher standards as recovery plans, more robust stress tests, among others. G-SIB and D-SIB disclosure of data used in determining systemic importance is required since January 2016. BCB carries out a continuous and comprehensive risk and control assessment on financial conglomerates that could pose risk to financial stability in case of their failure. Its conclusions are annually approved by a committee composed by senior staff of BCB's Banking Supervision Department. An off-site supervisory team provides reports, red flag alerts and analysis tools to be used by the on-site supervisory team. BCB receives information on a daily basis, such as: all financial instruments issued or held by financial institutions registered in trade repositories or central securities depositories; all securities and derivatives transactions registered at trade repositories or central securities depositories; all interbank securities	

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				transactions settled through the Reserves Transfer System (STR), a Brazilian real-time gross settlement (RTGS) operated by BCB; all loans informed to the BCB Credit Bureau; and all FX operations and FX credit lines registered online through systems hosted at BCB. Resolution CMN 4,557 of 2017 prescribes the implementation of an Internal Capital Adequacy Assessment Process (Icaap) for institutions that are systemically important or have a relevant international activity (these are categorized as S1 according to Resolution CMN 4,553 of 2017). A guiding principle of the Brazilian regulatory framework is that financial institutions must implement risk management structures according to the complexity and nature of their operations, usual yardsticks for systemic importance. Therefore, the regulation is more demanding of larger conglomerates or those whose operations are complex. BCB has the authority to conduct a consolidated supervision, being empowered to supervise banks both on an individual and on a consolidated basis, including all branches and entities within the consolidation group, irrespective of their location or legal structure. The regulatory basis, along with the practices and procedures in place, gives BCB's Supervision Area a comprehensive understanding of the structure and main activities of banking conglomerates. The supervisory scope includes knowledge of non-financial activities and supervision of foreign subsidiaries of Brazilian banks. Any exposure of a financial institution to risks involved in business activities over which BCB has no legal supervisory competence is treated as a contagion risk	

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				and included in the continuous risk and control assessment previously mentioned. BCB acts in coordination and exchanges information with domestic and foreign supervisors to attain a full view of risks incurred by financial institutions operating in Brazil. Regarding home-host supervisory coordination and information sharing, BCB supervision has developed strategies for closer communication and frequent interaction with foreign supervisors responsible for banks with branches that have a significant presence in Brazil or located in jurisdictions that host significant subsidiaries of Brazilian banks abroad, in order to exchange information for supervisory purposes. Financial institutions must prepare their financial statements considering a prudential conglomerate perspective, including any mutual funds in which they retain substantial risks and benefits, as well as securitization companies over which they have direct or indirect control, as a way to bring entities that are in the shadow banking system to the scope of financial statement consolidation and BCB supervision. All prudential regulation applies to prudential conglomerates on a consolidated basis. The implementation of a new structure within the BCB's on-site supervision department in March 2016 aimed at strengthening supervision of D-SIBs and comprised an increase in staff involved in the supervision of such institutions as well as changes in work processes. This new structure reinforces the supervisor's role as the central point of contact between a D-SIB and BCB, allowing the supervisor to focus on understanding the institution's business	

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				strategy and viability. It also allows the supervisor to focus on the D-SIB's corporate governance and on the follow–up of its day-to-day operations. **Highlight main developments since last year's survey:** Resolution CMN 4,502 of 2016 regulates implementation and execution of recovery plans by systemic institutions. Resolution CMN 4,553 of 2017 establishes the categorization of financial institutions and other institutions licensed by BCB for the purpose of proportional application of prudential regulation. Systemic importance and risk profile are determinants for inclusion in categories ranging from S1 (higher) to S5 (lower). **Web-links to relevant documents:** Prudential regulation: http://www.bcb.gov.br/ingles/norms/brprudential/Brazilian-Prudential-Financial-Regulation.asp	

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8 (8)	Establishing supervisory colleges and conducting risk assessments	To establish the remaining supervisory colleges for significant cross-border firms by June 2009. (London) We agreed to conduct rigorous risk assessment on these firms [G-SIFIs] through international supervisory colleges. (Seoul)	Reporting in this area should be undertaken solely by home jurisdictions of global systemically important insurers (G-SIIs). The BCBS is separately monitoring implementation progress in this area with respect to banks. Please indicate the progress made in establishing and strengthening the functioning of supervisory colleges for G-SIIs, including the development of any joint supervisory plans within core colleges and leveraging on supervisory activities conducted by host authorities. See, for reference, the following IAIS documents: • ICPs 24 and 25, especially guidance 25.1.1 – 25.1.6, *25.6, 25.7 and 25.8* • *Application paper on supervisory colleges (Oct 2014)*	☒**Not applicable** ☐**Applicable but no action envisaged at the moment** *If "Not applicable" or "Applicable but no action envisaged ..." has been selected, please provide a brief justification:* Brazil is not home jurisdiction of any G-SIB or G-SII. ☐**Implementation ongoing:** *Status of progress [for legislation and regulation/guidelines only]:* ☐Draft in preparation, expected publication by: ☐Draft published as of: ☐Final rule or legislation approved and will come into force on: ☐Final rule (for part of the reform) in force since: ☐**Implementation completed as of:** **Issue is being addressed through:** ☐Primary / Secondary legislation ☐Regulation /Guidelines ☐Other actions (such as supervisory actions), please specify: **Short description of the content of the legislation/ regulation/guideline:** **Highlight main developments since last year's survey:**	**If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation:** **Planned actions (if any) and expected commencement date:** **Web-links to relevant documents:**

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9 (9)	Supervisory exchange of information and coordination	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. (Rec V.7 , FSF 2008) Enhance the effectiveness of core supervisory colleges. (FSB 2012)	Jurisdictions should include any feedback received from recent FSAPs/ROSC assessments on the *September 2012* BCP 3 (Cooperation and collaboration) and BCP 14 (Home-host relationships). Jurisdictions should also indicate any steps taken since the last assessment in this area, particularly in response to relevant FSAP/ROSC recommendations. Jurisdictions should describe any recent or planned regulatory, supervisory or legislative changes that contribute to the sharing of supervisory information (e.g. within supervisory colleges or via bilateral or multilateral MoUs).	☐**Not applicable** ☐**Applicable but no action envisaged at the moment** *If "Not applicable" or "Applicable but no action envisaged …" has been selected, please provide a brief justification:* ☐**Implementation ongoing:** *Status of progress [for legislation and regulation/guidelines only]:* ☐Draft in preparation, expected publication by: ☐Draft published as of: ☐Final rule or legislation approved and will come into force on: ☐Final rule (for part of the reform) in force since: ☒**Implementation completed as of:** 2012 **Issue is being addressed through:** ☐Primary / Secondary legislation ☐Regulation /Guidelines ☒Other actions (such as supervisory actions), please specify: Establishment of several agreements and MoUs with domestic and foreign supervisory authorities. **Short description of the content of the legislation/ regulation/guideline:** Since 1997, under provisions of Complementary Law 105 of 2001, BCB has established several agreements with	**Planned actions (if any) and expected commencement date:** **Web-links to relevant documents:**

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				other Brazilian authorities, as well as with foreign supervisors. On the domestic scope, a committee comprised of Brazilian financial authorities (COREMEC) was established in 2006 in order to coordinate regulatory and supervisory actions of BCB and the federal agencies responsible for the following areas: insurance, pension funds, securities and exchange. BCB has entered into agreements with other Brazilian authorities in order to exchange information and coordinate actions. To date, BCB has also entered into 3 bilateral agreements ("memoranda of understanding" – MoUs) with 29 foreign supervisory authorities in 23 countries for exchange of information. In addition, the MoU with the European Central Bank was recently signed. These agreements not only follow the guidelines established by the Basel Committee but also allow on-site examinations of subsidiaries of Brazilian banks abroad, as well as on-site examinations performed by foreign Supervisors in subsidiaries of foreign institutions operating in Brazil. The MoUs set out the conditions under which cooperation between the signatory authorities takes place, comprising in general, the exchange of information about supervisory issues of mutual interest, on-site examinations in cross-border establishments and provisions on information confidentiality. Additionally the BCB also participates in the core colleges and Crisis Management Group (CMG) of Santander with Banco de España, having signed a specific MoU with these authorities establishing policies for information sharing related to resolution strategies. In 2016, the BCB	

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				held the meetings of the Supervisory Colleges of Banco do Brasil and Itaú-Unibanco. Brazil was deemed fully compliant with BCP 25 (Home-Host Relationships) in the last FSAP/ROSC assessments (report published in July 2012). **Highlight main developments since last year's survey:** **Web-links to relevant documents:** Brazil: Detailed Assessment of Observance of Basel Core Principles for Effective Banking Supervision, available at: http://www.imf.org/external/pubs/ft/scr/2012/cr12207.pdf	

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10 (10)	Strengthening resources and effective 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 early intervention. (Seoul) 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. (FSF 2008) Supervisory authorities should continually re-assess their resource needs; for example, interacting with and assessing Boards require particular skills, experience and adequate level of seniority. (Rec. 3, FSB 2012)	Jurisdictions should indicate any steps taken on recommendations 1, 2, 3, 4 and 7 (i.e. supervisory strategy, engagement with banks, improvements in banks' IT and MIS, data requests, and talent management strategy respectively) in the FSB thematic peer review report on supervisory frameworks and approaches to SIBs (May 2015). Jurisdictions should also indicate any steps taken or envisaged in terms of resources/expertise, supervisory measures and/or regulation to strengthen the oversight of risks associated with financial innovation (FinTech).	☐**Not applicable** ☐**Applicable but no action envisaged at the moment** *If "Not applicable" or "Applicable but no action envisaged ..." has been selected, please provide a brief justification:* ☐**Implementation ongoing:** *Status of progress [for legislation and regulation/guidelines only]:* ☐Draft in preparation, expected publication by: ☐Draft published as of: ☐Final rule or legislation approved and will come into force on: ☐Final rule (for part of the reform) in force since: ☒**Implementation completed as of:** March 2016. **Issue is being addressed through:** ☐Primary / Secondary legislation ☐Regulation /Guidelines ☒Other actions (such as supervisory actions), please specify: Supervision area was restructured. **Short description of the content of the legislation/ regulation/guideline:** BCB's mission statement includes its role as the Brazilian's primary financial supervisor. As such, BCB must assess the soundness of the Brazilian Financial System (SFN) and the regular functioning of supervised entities (ESs).	**Planned actions (if any) and expected commencement date:** **Web-links to relevant documents:**

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				In order to accomplish this mission, BCB's Supervision Area has the following objectives: a) evaluation of ESs' inherent risks and their management capacity in order to ensure that both risks and controls comply with regulatory and prudential limits; b) supervision of ESs conduct; c) verification of ESs' compliance with applicable laws and specific regulations; and d) promotion of transparency through disclosure of financial information to stakeholders according to internationally recommended best practices. BCB adopts the "Twin Peaks" model, so that units performing prudential supervision are separate from those responsible for conduct supervision. Implementation of a new structure within BCB's on-site supervision department in March 2016 aimed at strengthening the supervision of D-SIBs. New features include an increase in staff involved in the supervision of such institutions and changes in work processes. The new structure reinforces the supervisor's role as the central point of contact between a D-SIB and BCB, allowing the supervisor to focus on understanding the institution's business strategy and viability. It also allows the supervisor to focus on the D-SIB's corporate governance and on the follow–up of its day-to-day operations. The supervision process requires that supervisory team be in permanent touch with supervised entities, constantly receiving management and performance reports. Specific verifications are scheduled when necessary. BCB's supervision area accords great importance to understanding and evaluating banks'	

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				information technology (IT) systems. Under this premise, two specialized supervisory teams are in place, one dedicated to IT management and another specialized in data integrity analysis (using data received from banks). BCB's supervision area encourages banks to disclose financial information to stakeholders according to the best practices of governance, transparency and equity towards market participants. BCB's process of managing information provided by banks includes capturing, treating and selective disclosing information received in regular as well as ad-hoc basis. BCB's recruitment strategy is based on a regular public selection process ("concurso público") open to all citizens with a college degree. Intensive training of employees is offered through the BCB's corporate university (Unibacen) as well as specific training courses prepared by the supervision area. BCB also incentivizes post-graduation of employees in selected areas and universities. Besides that, BCB regularly performs surveys to verify the organizational climate among its employees. Currently, other Financial Innovation developments (credit services, investment services, etc) are incipient in Brazil. Although FinTech is a relevant topic on the agenda of many BCB's areas, current work is focused on monitoring FinTech developments and the innovative approaches undertaken by incumbent financial institutions in order to verify the necessity of additional regulatory/or supervisory action.	

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				Highlight main developments since last year's survey: A working group on technological innovation (WGTI) was established in June, 2016. WGTI is a senior group coordinated by a representative of the Financial System Regulation Department and has members from different areas of BCB. The main objectives of WGTI are: • preparation of studies on digital technologies innovations related to activities of the Brazilian Financial System and the Brazilian Payment System; and • assessment of potential impacts on the operation of institutions and entities of these systems, on their intermediaries and users, as well as on BCB's responsibilities. The BCB Deputy Governor for Regulation closely monitors the work under development by WGTI and is actively involved in the discussions concerning FinTechs and innovations. In addition to the work of WGTI, BCB's Supervision area actively monitors the innovative approaches undertaken by financial institutions. Supervisory measures are focused on the analysis of changes in business models and in the risk profile resulting from the use of new technologies. Additionally, BCB's Supervision area monitors any association between Fintech companies and financial institutions for provision of financial services. BCB is also represented in different working groups and task forces related to FinTech, such as the Task Force on Financial Technology (BCBS/SIG/TFFT) and the Financial Innovation Network (FSB/FIN). Applied expertise is internally developed based on training programs, conferences, researching and	

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				consulting. Moreover, BCB's Information Technology Department has a team targeted to analyze technological innovations in finance. For example, this team recently developed prototypes based on distributed ledger technology (such as Blockchain) to analyze the technology, to map the main concerns and to discuss possible applications in the financial market. IT projects may be also developed with the support of external consultants, if additional skills need to be developed. **Web-links to relevant documents:**	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
IV.	**Building and implementing macroprudential frameworks and tools**				
11 (11)	Establishing regulatory framework for macro-prudential oversight	Amend our regulatory systems to ensure authorities 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. (London) Ensure that national regulators possess the powers for gathering relevant information on all material financial 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. (London)	Please describe major changes in the institutional arrangements for macroprudential policy (structures, mandates, powers, reporting etc.) that have taken place in your jurisdiction since the global financial crisis. Please indicate whether an assessment has been conducted with respect to the adequacy of powers to collect and share relevant information among national authorities on financial institutions, markets and instruments to assess the potential for systemic risk. If so, please describe identified gaps in the powers to collect information, and whether any follow-up actions have been taken.	☐**Not applicable** ☐**Applicable but no action envisaged at the moment** *If "Not applicable" or "Applicable but no action envisaged …" has been selected, please provide a brief justification:* ☐**Implementation ongoing:** *Status of progress [for legislation and regulation/guidelines only]:* ☐Draft in preparation, expected publication by: ☐Draft published as of: ☐Final rule or legislation approved and will come into force on: ☐Final rule (for part of the reform) in force since: ☒**Implementation completed as of:** 2013 **Issue is being addressed through:** ☐Primary / Secondary legislation ☒Regulation /Guidelines ☐Other actions (such as supervisory actions), please specify: **Short description of the content of the legislation/ regulation/guideline:** Brazilian authorities have continuously and promptly implemented measures to improve financial system's regulatory framework, in order to preserve the stability of the financial system as a whole as well as to enhance the	**Planned actions (if any) and expected commencement date:** **Web-links to relevant documents:**

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				soundness, safety and efficiency of financial institutions. In 2011, BCB established a Financial Stability Committee ("Comef"), composed of its Board of Governors, to define strategies and guidelines to preserve financial stability and to mitigate systemic risk. Within BCB, Comef is the focal point of preliminary discussion and implementation of macroprudential policies. Comef assessments involve the following topics: overall domestic economic conditions; international financial outlook and economic conditions of some key countries that could impair financial stability, both of the Brazilian financial system and the global one; soundness of the Brazilian financial system from idiosyncratic and aggregate standpoints; research pieces and surveys about credit conditions; regulatory issues that might impact financial stability; other topics that are relevant at the time. The combination of inputs from macro- and microprudential scopes allows a system-wide view of nascent vulnerabilities, and the need of prudential measures. In 2006, a specific forum was created to facilitate coordination among this wider circle of regulators. The Committee of Regulation and Supervision of Financial, Securities, Insurance, and Complementary Pension Markets ("Coremec") is composed of BCB, CVM, Susep, and Previc, in a rotating presidency regime. As a consultative committee, it is mainly a forum for information sharing and advising on multiagency regulatory and supervisory actions. This arrangement helps coordination and has been important in shaping policy implementation. Other financial	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				regulators and supervisors also play a role in safeguarding financial stability. Susep authority extends over insurance and re-insurance companies, private pension and capitalization plans. Previc oversees pension funds. CVM regulates and supervises participants in the securities and derivatives markets – including the investment fund industry – and for ensuring an efficient and regular functioning of both exchange-traded and over-the-counter (OTC) markets. The financial stability oversight function benefits from a robust monitoring process led by the BCB. BCB manages the Credit Information System (SCR), which functions as credit bureau since 2002. Currently the SCR gathers credit data for exposures to individual domestic borrowers above R$200 (U$ 60 in Jan/17) reducing information asymmetries among borrowers, contributing to improve the efficiency of the credit market and the risk management by lenders. The SCR is used also to conduct impact studies for regulatory policies and to identify early warnings of threatens to financial stability that can lead to the development of regulatory policies. Reporting data is mandatory in Brazil for most transaction types and for nearly all asset classes. In addition to credit information, financial transactions that are traded on exchange, OTC derivatives, spot foreign exchange and fixed income transactions must also be reported to BCB, generally on a daily basis. **Highlight main developments since last year's survey:** The countercyclical capital buffer (CCB) operationalization process has been	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				enhanced by Policy Statement BCB 30,371, of 2017. From 2017 onwards, analysis and decisions involving CCB is assigned to Comef and all decisions – for a changed or unchanged buffer value– and will be disclosed immediately after each quarterly Comef meeting. **Web-links to relevant documents:** Policy Statement BCB 30,371: http://www.bcb.gov.br/pre/normativos/busca/normativo.asp?numero=30371&tipo=Comunicado&data=30/1/2017 (In Portuguese)	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
12 (12)	Enhancing system-wide monitoring and the use of macro-prudential instruments	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 leverage as guides for policy, both at the institution-specific and at the macro-prudential (system-wide) level…(Rec. 3.1, FSF 2009) 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. (Cannes) Authorities should monitor substantial changes in asset prices and their implications for the macro economy and the financial system. (Washington)	Please describe at a high level (including by making reference to financial stability or other reports, where available) the types of methodologies, indicators and tools used to assess systemic risks. Please indicate the use of tools for macroprudential purposes over the past year, including: the objective for their use; the process to select, calibrate and apply them; and the approaches used to assess their effectiveness. See, for reference, the following documents: • FSB-IMF-BIS progress report to the G20 on *Macroprudential policy tools and frameworks (Oct 2011)* • CGFS report on *Operationalising the selection and application of macroprudential instruments (Dec 2012)* • IMF staff papers on *Macroprudential policy, an organizing framework (Mar 2011), Key Aspects of Macroprudential policy (Jun 2013), and Staff Guidance on Macroprudential Policy (Dec 2014)* • IMF-FSB-BIS paper on *Elements of Effective Macroprudential*	☐**Not applicable** ☐**Applicable but no action envisaged at the moment** *If "Not applicable" or "Applicable but no action envisaged …" has been selected, please provide a brief justification:* ☐**Implementation ongoing:** *Status of progress [for legislation and regulation/guidelines only]:* ☐Draft in preparation, expected publication by: ☐Draft published as of: ☐Final rule or legislation approved and will come into force on: ☐Final rule (for part of the reform) in force since: ☒**Implementation completed as of:** 2013 **Issue is being addressed through:** ☐Primary / Secondary legislation ☒Regulation /Guidelines ☒Other actions (such as supervisory actions), please specify: Establishment of a methodology to monitor the national financial system from a macroprudential perspective and feed the resulting information into the regulatory decision process.	**Planned actions (if any) and expected commencement date:** **Web-links to relevant documents:**

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
			Policies: Lessons from International Experience (Aug 2016) • CGFS report on *Experiences with the ex ante appraisal of macroprudential instruments (Jul 2016)* • CGFS report on *Objective-setting and communication of macroprudential policies (Nov 2016)*	**Short description of the content of the legislation/ regulation/guideline:** Financial monitoring by BCB encompasses continuous micro and macroprudential perspectives in order to provide reporting, early warnings and other analysis tools both to the on-site supervision and Comef. The monitoring process includes analysis on liquidity as well as market risk, credit market, profitability and solvency (e.g. Capital Adequacy and Leverage Ratios). Stress tests are also conducted on a regular basis, gauging the possible effects of changes in the prices of certain market parameters in the solvency of the financial system as a whole. Stress tests outputs indicate that the banking system is able to absorb shocks from adverse macro-economic scenarios, as well as from abrupt changes in interest and exchange rates, from increase in defaults and from widespread decline in house prices, despite the increase in impacts due to materialization of risks from macroeconomic environment. On another front, contagion stress tests are used by BCB to assess how the default of one entity impacts other entities in the financial system as well as the real economy. The analysis aims at identifying systemic consequences from events such as one bank's resolution, the bankruptcy of a large economic conglomerate, or reputational/corruption issues. The tools allow the mapping of vulnerabilities from different perspectives: interconnectedness within the financial system and in the non-financial sector, as well as interbank market, non-financial sector and unemployment contagion. A recent	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				example of an applied contagion stress test relates to the so-called "Car Wash Operation", a criminal investigation that was launched in March 2014. Starting as a money laundering investigation, it has expanded to cover allegations of corruption at the state-controlled oil company Petrobras, involving kickbacks from supplier companies in return for contracts at inflated prices as well as bribery of political agents. BCB assessed the financial system's resilience to impacts of a possible default of core companies mentioned in Car Wash Operation (engineering companies, contractors and economic groups to which they belong). Mapping a network of the real economy was achieved by analysing the payments made to and from companies and their relevant importance to companies' revenues by wire transfers (Electronic Funds Transfers - TEDs) in the Brazilian Payment System (SPB). By mapping payments and the relative importance of those payments, BCB was able to estimate the degree of dependence each company had on each other company. The analysis showed that despite estimated losses, the impact on banks' capital was moderate and easily absorbed by existing regulatory capital levels. In relation to the use of macro-prudential measures, the above mentioned monitoring process highly contributes to the implementation of macroprudential policies. BCB applies a degree of judgment in assessing the build-up of national systemic risk. Rather than using a mechanistic link between quantitative indicators/monitoring tools and the use of a macroprudential measure, BCB relies on a wide range of quantitative and	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				qualitative information combined with expert judgment to form its view of systemic risk and to take decisions accordingly. This approach is commonly referred to as "guided discretion". Conditions, focused on strengthening the resilience of the financial system and containing the build-up of systemic risk are framed in regulatory instruments and communications. Current institutional framework – highly benefited from BCB expertise and monitoring tools – facilitates a timely action. The adoption of each macroprudential instrument has a sound legal and regulatory basis in order to guarantee adequate enforcement and legal certainty to policy decisions. **Highlight main developments since last year's survey:** **Web-links to relevant documents:** http://www.bcb.gov.br/ingles/estabilidade/2016_09/complete_report.pdf	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
V.	**Improving oversight of credit rating agencies (CRAs)**				
13 (13)	Enhancing regulation and supervision of CRAs	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. (London) National authorities will enforce 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. CRAs 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. The oversight framework should be consistent across jurisdictions with appropriate sharing of information between national authorities, including through IOSCO. (London) Regulators should work together towards appropriate, globally compatible solutions (to conflicting compliance	Jurisdictions should indicate the policy measures undertaken for enhancing regulation and supervision of CRAs including registration, oversight and sharing of information between national authorities. They should also indicate their consistency with the following IOSCO document: • *Code of Conduct Fundamentals for Credit Rating Agencies (Mar 2015)* (including on governance, training and risk management) Jurisdictions may also refer to the following IOSCO documents: • Principle 22 of *Principles and Objectives of Securities Regulation (Jun 2010)* which calls for registration and oversight programs for CRAs • *Statement of Principles Regarding the Activities of Credit Rating Agencies (Sep 2003)* • *Final Report on Supervisory Colleges for Credit Rating Agencies (Jul 2013)* Jurisdictions should take into account the outcomes of any recent FSAP/ROSC assessment against those principles.	☐**Not applicable** ☐**Applicable but no action envisaged at the moment** *If "Not applicable" or "Applicable but no action envisaged …" has been selected, please provide a brief justification:* ☐**Implementation ongoing:** *Status of progress [for legislation and regulation/guidelines only]:* ☐Draft in preparation, expected publication by: ☐Draft published as of: ☐Final rule or legislation approved and will come into force on: ☐Final rule (for part of the reform) in force since: ☒**Implementation completed as of:** 2012 **Issue is being addressed through:** ☐Primary / Secondary legislation ☒Regulation /Guidelines ☒Other actions (such as supervisory actions), please specify: In 2015, credit ratings were included in the regular on-site examinations schedule of CVM's Inspections and Examinations Division.	**If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation:** **Planned actions (if any) and expected commencement date:** **Web-links to relevant documents:**

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
		obligations for CRAs) as early as possible in 2010. (FSB 2009) We encourage further steps to enhance transparency and competition among credit rating agencies. (St Petersburg)		**Short description of the content of the legislation/ regulation/guideline:** Instruction CVM 521 of 2012 regulates credit rating agencies in accordance with the IOSCO Code of Conduct and with Principle 22. **Highlight main developments since last year's survey:** The first inspections of the 3 largest CRAs were concluded in 2016. **Web-links to relevant documents:**	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
14 (14)	Reducing the reliance on ratings	We also endorsed the FSB's principles on reducing reliance on external credit ratings. Standard setters, market participants, supervisors and central banks should not rely mechanistically on external credit ratings. (Seoul) 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. (Rec IV. 8, FSF 2008) 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. (Cannes) We call for accelerated progress by national authorities and standard setting bodies in ending the mechanistic reliance on credit ratings and encourage steps that would enhance transparency of and	Jurisdictions should indicate the steps they are taking to address the recommendations of the May 2014 FSB thematic peer review report on the implementation of the FSB Principles for Reducing Reliance on Credit Ratings, including by implementing their agreed action plans. Any revised action plans should be sent to the FSB Secretariat so that it can be posted on the FSB website. Jurisdictions may refer to the following documents: • *FSB Principles for Reducing Reliance on CRA Ratings (Oct 2010)* • FSB *Roadmap for Reducing Reliance on CRA Ratings (Nov 2012)* • BCBS Consultative Document *Revisions to the Standardised Approach for credit risk (Dec 2015)* • IAIS ICP guidance 16.9 and 17.8.25 • IOSCO *Good Practices on Reducing Reliance on CRAs in Asset Management (Jun 2015)* • IOSCO *Sound Practices at Large Intermediaries Relating to the Assessment of Creditworthiness and*	☐**Not applicable** ☒**Applicable but no action envisaged at the moment** *If "Not applicable" or "Applicable but no action envisaged ..." has been selected, please provide a brief justification:* Please refer to short description due to space limitation ☐**Implementation ongoing:** *Status of progress [for legislation and regulation/guidelines only]:* ☐Draft in preparation, expected publication by: ☐Draft published as of: ☐Final rule or legislation approved and will come into force on: ☐Final rule (for part of the reform) in force since: ☐**Implementation completed as of:** **Issue is being addressed through:** ☐Primary / Secondary legislation ☐Regulation /Guidelines ☐Other actions (such as supervisory actions), please specify: **Short description of the content of the legislation/ regulation/guideline:** Brazilian prudential regulation applied to banks does not prescribe an intensive use of ratings. BCB regulation on the standardized approach of capital requirement for credit risk prescribes the use of external ratings in assigning a risk factor to sovereign exposures. BCB	**Planned actions (if any) and expected commencement date:** In 2017, CVM intends to launch a public consultation on regulation on receivables funds. In 2017/2018, CVM will launch a public consultation regarding new rules for the securitization of Brazilian agribusiness backed securities (CRA – Certificados de Recebíveis do Agronegócio, in Portuguese), which is expected not mentioning ratings. In 2018, CVM also expects to launch a public consultation on Brazilian mortgage backed securities (CRI – Certificados de Recebíveis Imobiliários, in Portuguese). In all occasions, CVM may be able to withdraw the mention to credit ratings involving these securitization products. **Web-links to relevant documents:**

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
		competition among credit rating agencies. (Los Cabos) We call on national authorities and standard setting bodies to accelerate progress in reducing reliance on credit rating agencies, in accordance with the FSB roadmap. (St Petersburg)	*the Use of External Credit Ratings* (Dec 2015).	regulation based on Basel III introduced reference to ratings in two topics: (i) risk weighting exposures to foreign sovereigns and non-national banks, although not applying all buckets prescribed by Basel II recommendations; and (ii) calculating the Liquidity Coverage Ratio (LCR). CVM does not either make intensive use of ratings issued by credit rating agencies for regulatory purposes. Ratings are only mentioned in the CVM's current regulation on receivables funds, requiring them to hire a rating agency to supply ratings to support funds investor's decisions. CVM has repeatedly issued guidance to fund operators so as to make clear that a mechanistic reliance on external ratings will be considered non-compliant with their fiduciary duties. The regulation on asset management (Instruction CVM 558 of 2015) requires that all asset managers must carry out their own risk assessment and analysis and establish a risk management structure to perform such activities. This rule also establishes that all asset managers should appoint a director responsible for overseeing risk management activities. Regulation enacted by CVM also prescribes the use of external credit ratings for the issuance of certain securitisation products with informational objectives (ratings are not considered a risk metric by CVM's regulation). **Highlight main developments since last year's survey:** **Web-links to relevant documents:**	

FSB FINANCIAL STABILITY BOARD

2017 IMN Survey of National Progress in the Implementation of G20/FSB Recommendations

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VI.	**Enhancing and aligning accounting standards**				
15 (15)	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 accounting standards. (Washington)	Jurisdictions should indicate the accounting standards that they follow and whether (and on what basis) they are of a high and internationally acceptable quality (e.g. equivalent to IFRSs as published by the IASB), and provide accurate and relevant information on financial position and performance. They should also explain the system they have for enforcement of consistent application of those standards. Jurisdictions may want to refer to their jurisdictional profile prepared by the IFRS Foundation, which can be accessed at: http://www.ifrs.org/Use-around-the-world/Pages/Analysis-of-the-G20-IFRS-profiles.aspx. As part of their response on this recommendation, jurisdictions should indicate the policy measures taken for appropriate application of fair value recognition, measurement and disclosure. In addition, jurisdictions should set out any steps they intend to take (if appropriate) to foster transparent and consistent implementation of the new accounting requirements for the measurement of expected credit losses on financial assets that are being introduced by the IASB and FASB.	☐**Not applicable** ☐**Applicable but no action envisaged at the moment** *If "Not applicable" or "Applicable but no action envisaged ..." has been selected, please provide a brief justification:* ☐**Implementation ongoing:** *Status of progress [for legislation and regulation/guidelines only]:* ☐Draft in preparation, expected publication by: ☐Draft published as of: ☐Final rule or legislation approved and will come into force on: ☐Final rule (for part of the reform) in force since: ☒**Implementation completed as of:** 2009 **Issue is being addressed through:** ☐Primary / Secondary legislation ☒Regulation /Guidelines ☐Other actions (such as supervisory actions), please specify: **Short description of the content of the legislation/ regulation/guideline:** According to Law 4,595 of 1964, BCB regulates, supervises and sets accounting standards for financial institutions. Financial institutions have applied IFRS	**Planned actions (if any) and expected commencement date:** **Web-links to relevant documents:**

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
			See, for reference, the following BCBS documents: • *Supervisory guidance for assessing banks' financial instrument fair value practices (Apr 2009)* • *Guidance on credit risk and accounting for expected credit losses (Dec 2015)*	accounting principles on a consolidated basis since 2010. **Highlight main developments since last year's survey:** **Web-links to relevant documents:** http://www.bcb.gov.br/pre/normativos/res/2009/pdf/res_3786_v1_O.pdf (In Portuguese)	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
VII.	**Enhancing risk management**				
16 (16)	Enhancing guidance to strengthen banks' risk management practices, including on liquidity and foreign currency funding risks	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. (Washington) 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. (Rec. II.10, FSF 2008) Regulators and supervisors in emerging markets[2] will enhance their supervision of banks' operation in foreign currency funding markets. (FSB 2009)	Jurisdictions should indicate the measures taken in the following areas: • guidance to strengthen banks' risk management practices, including BCBS good practice documents (*Corporate governance principles for banks*, *External audit of banks*, *and the Internal audit function in banks*); • measures to monitor and ensure banks' implementation of the BCBS *Principles for Sound Liquidity Risk Management and Supervision (Sep 2008)*; • measures to supervise banks' operations in foreign currency funding markets;[1] and • extent to which they undertake stress tests and publish their results. Jurisdictions should not provide any updates on the implementation of Basel III liquidity requirements (and other recent standards such as capital	☐ **Not applicable** ☐ **Applicable but no action envisaged at the moment** *If "Not applicable" or "Applicable but no action envisaged ..." has been selected, please provide a brief justification:* ☐ **Implementation ongoing:** *Status of progress [for legislation and regulation/guidelines only]:* ☐ Draft in preparation, expected publication by: ☐ Draft published as of: ☐ Final rule or legislation approved and will come into force on: ☐ Final rule (for part of the reform) in force since: ☒ **Implementation completed as of:** 2017 **Issue is being addressed through:** ☐ Primary / Secondary legislation ☒ Regulation /Guidelines ☒ Other actions (such as supervisory actions), please specify: Corporate governance and internal audit	**Planned actions (if any) and expected commencement date:** Corporate governance and internal audit function in banks: The internal supervisory guidelines will be updated according to the new regulation regarding risk management, capital management and risk governance (Resolution CMN 4,557 of 2017). Stress Tests: In 2017, one experimental bottom-up test will be realized. Its main objective is to collect extensive information about the bottom-up stress test process execution. The Bottom-up stress test is scheduled for 2018. **Web-links to relevant documents:**

[1] Only the emerging market jurisdictions that are members of the FSB should respond to this specific recommendation.

[2] Only the emerging market jurisdictions that are members of the FSB may respond to this recommendation.

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
		We commit to conduct robust, transparent stress tests as needed. (Pittsburgh)	requirements for CCPs), since these are monitored separately by the BCBS.	functions in banks: The supervisory assessment of financial institutions' corporate governance is under the scope of Risk and Control Assessment System (SRC) and of Special Verifications (VEs). Another checking mechanism of risk governance adequacy is the review by supervision (SREP) of the ICAAP process. External audit of banks: Revised versions of the Brazilian accounting standards approved by the Federal Accounting Council require external auditors to present in their reports on the financial statements of the listed entities a description of the main audit subjects. Those requirements are in force from the financial statements ended as of December 15, 2016. In addition to examining the external auditors' reports on the financial statements, supervision may obtain access to the external auditor's work papers or hold meetings to discuss accounting issues and risks assumed by financial institutions. Supervisory teams may also discuss with the independent auditors on the planning of their work or specific issues in the areas under analyses. On the SRC scope, specifically in the evaluation of strategy risk management of institutions, the external audit is one of the evaluated items, and can contribute positively or negatively to the note attributed to each financial institution. Liquidity risk and operations in foreign currency markets: BCB's on-site supervision area has undertaken examinations to	

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				check the compliance of financial conglomerates to liquidity requirements and best practices in managing liquidity risk, following the 2008 BCBS guidelines. In these examinations, the assessment covers not only exposures to liquidity risk, but also aspects related to governance, risk appetite, policies, etc. The same applies to the assessment of funding in foreign currency. The assessment includes the examination of the diversity of funding sources, with a breakdown of currencies and jurisdictions. Depending on the relative importance of the foreign currency, scrutiny of procedures and policies is enhanced. Stress tests: BCB´s supervisory department evaluates the framework of Icaap stress test and demands the necessary and appropriate corrections and improvements. BCB runs top down stress tests regularly, at least twice a year. These exercises are useful to evaluate the stability and resilience of the financial system as a whole and of its individual institutions. The current stress test is run exclusively by BCB, supported by data provided by financial institutions. **Short description of the content of the legislation/ regulation/guideline:** Corporate governance framework: Law 6,404 of 1976 (Corporates Law) defines the governance framework that public companies should adopt in conducting business. This law stipulates roles and responsibilities of the board and senior management in running day-to-day	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				business; requirements of suitability; minimum requirements of the by-laws; loyalties requirements and the whistleblowing obligation in specifically defined circumstances. Law 4,595 of 1964 (Banking Law) prescribes that Brazilian financial institutions must be organized as public companies, except for credit unions and micro entrepreneurs financing institutions. Under this law, CMN is the authority in charge of issuing major regulation in the form of resolutions. This law also requires approval by BCB of board and senior management members, after appointment under an internal governance process The main regulation issued by CMN on the governance of financial institutions include: Resolution CMN 2,554 of 1998 requires that financial institutions must implement internal controls, including an internal auditing function, commensurate with the complexity of its activities. They must also employ financial information, operating and managerial systems that ensure compliance with applicable laws and regulations. Resolution CMN 4,122 of 2012 stipulates requirements and procedures for the establishment of a financial institution in Brazil, including authorization to operate, cancellation of authorization, changes in control, corporate reorganizations, among others. This regulation also defines suitability requirements for approval by BCB of a board or senior management member. Resolution CMN 3,198 of 2004 requires that financial institutions must conduct an external auditing of their financial statements. Besides that, regulation also defines the independence requirements of an external auditor, as well as the need	

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				for periodically rotation of the chief auditor. Major financial institutions are required to establish an audit committee, following a minimum set of requirements. BCB has the authority to oversee accounting auditing companies and independent auditors, and to apply penalties for acts or omissions in the performance of their auditing financial institutions. (Law 6,385 of 1976, as amended by Law 9,447 of 1997). Resolution CMN 3,921 of 2010 requires that all financial institutions implement a compensation policy commensurate with its risk profile. This regulation also requires that major financial institutions establish a compensation committee that reports directly to the board and has at least one non-executive member. Resolution CMN 4,280, of 2013, defines the scope of consolidation for the purposes of preparation, disclosure and remittance to BCB of financial statements of a prudential conglomerate. These statements must be reviewed by the external auditor. Resolution CMN 4,538 of 2016 requires financial institutions to implement a succession policy, commensurate with its complexity, financial importance, risk profile and business model, in order to assure that senior management have the necessary competences to do their duties. Such policy should encompass recruiting, promoting and retention of managers and must consider the legal and regulatory requirements, technical capacity, managerial capabilities, interpersonal skill, knowledge of applicable laws and regulation and professional experience. Stress Tests: In order to increase the scope of its supervisory tools, BCB started	

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				implementation of the Bottom-Up Stress Test project, which includes the analysis, by banks and assisted by the supervisor, of the potential impacts of stress events in bank's solvency. In 2016, the process of selection of involved institutions is completed, templates were defined and the scenarios were stablished by BCB. In addition, the major banks have to run an integrated stress test in the context of the Icaap. This stress test has a three years horizon and may subsidize the institution's capital plan. **Highlight main developments since last year's survey:** Risk Management Framework: Resolution CMN 4,557 of 2017 establishes the implementation of continued and integrated risk management framework by financial institutions. This new regulation improved regulation already in place relate to the governance of risk management structure and included new topics such as roles and responsibilities of each entity involved in risk management (board, risk committee, senior staff, CRO), risk appetite, dissemination of a risk culture, reporting and disclosure requirements. This regulation also requires the establishment of a stress tests program, commensurate with financial institution's risk profile. Liquidity: Resolution CMN 4,401 of 2015 establishes the minimum limits for the Liquidity Coverage Ratio (LCR) and the conditions for compliance with the requirement. Circular BCB 3,749 of 2015 establishes the methodology for calculation of LCR and its disclosure. Circular Letter BCB 3,775 of 2016 establishes the procedures for remittance	

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				of LCR data to BCB. BCB's Financial System Monitoring Department developed a structural liquidity index for all banks, which stands as proxy for the NSFR. The resulting index was incorporated in the bank scoring process conducted by BCB and is strongly relied upon by the On-Site Supervision Department, in order to assess specific risks and the general risk profile of each financial institution. External audit of banks: External auditors should include in their reports on the financial statements of listed entities a description of the main audited topics. Stress Tests: Regarding the top down stress test, the BCB has adopted a balance sheet approach that adds business lines results to the stress tests and integrated credit and market risk into it. Before that, the stress test only considered a standalone credit shock and a market risk shock. **Web-links to relevant documents:** Prudential regulation: http://www.bcb.gov.br/ingles/norms/brprudential/Brazilian-Prudential-Financial-Regulation.asp Regulations on licensing procedures: http://www.bcb.gov.br/ingles/sfn/regulations-procedures.asp?idpai=NORMS	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
17 (17)	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. (Washington) We encourage further efforts by the public and private sector to enhance financial institutions' disclosures of the risks they face, including the ongoing work of the Enhanced Disclosure Task Force. (St. Petersburg)	Jurisdictions should indicate the status of implementation of the disclosures requirements of IFRSs (in particular IFRS 7 and 13) or equivalent. Jurisdictions may also use as reference the recommendations of the October 2012 report by the Enhanced Disclosure Task Force on *Enhancing the Risk Disclosures of Banks* and *Implementation Progress Report by the EDTF (Dec 2015)*, and set out any steps they have taken to foster adoption of the EDTF Principles and Recommendations. In addition, in light of the new IASB and FASB accounting requirements for expected credit loss recognition, jurisdictions should set out any steps they intend to take (if appropriate) to foster disclosures needed to fairly depict a bank's exposure to credit risk, including its expected credit loss estimates, and to provide relevant information on a bank's underwriting practices. Jurisdictions may use as reference the recommendations in the report by the Enhanced Disclosure Task Force on the *Impact of Expected Credit Loss Approaches on Bank Risk Disclosures (Nov 2015)*, as well as the recommendations in Principle 8 of the BCBS *Guidance on credit risk and*	☐**Not applicable** ☐**Applicable but no action envisaged at the moment** *If "Not applicable" or "Applicable but no action envisaged ..." has been selected, please provide a brief justification:* ☒**Implementation ongoing:** *Status of progress [for legislation and regulation/guidelines only]:* ☐Draft in preparation, expected publication by: ☐Draft published as of: ☒Final rule or legislation approved and will come into force on: Expected loss provision: 22Aug 2017 (financial institutions categorized as S1 according to Resolution CMN 4,553 of 2017) and 18 Feb 2018 (for (financial institutions categorized as S2, S3 or S4 according to Resolution CMN 4,553 of 2017) ☒Final rule (for part of the reform) in force since: IRFS 7 and 13: financial statements of December 2010 ☐**Implementation completed as of:** **Issue is being addressed through:** ☐Primary / Secondary legislation ☒Regulation /Guidelines ☐Other actions (such as supervisory actions), please specify:	**Planned actions (if any) and expected commencement date:** The internal supervisory guidelines will be updated according to the new regulation regarding credit risk management, which includes aspects of expected loss provision (Resolution CMN 4,557 of 2017). Regulation area currently discusses the possibility of adopting accounting standard for financial instruments (IAS 39). **Web-links to relevant documents:**

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
			accounting for expected credit losses (Dec 2015)	**Short description of the content of the legislation/ regulation/guideline:** Resolution CMN 4,557 of 2017 requires financial institutions to implement a risk management structure capable of: classifying exposures according to the nature of the operation and the credit risk; identifying, monitoring and controlling exposures classified as problem assets; estimating expected losses due to credit risk and comparing this estimations with actual losses; and employing mechanisms to ensure that levels of provisions are sufficient to face the estimated expected losses. Considering that provisions reflect the expected losses and not only the losses incurred, Resolution CMN 2,682 of 1999 requires the detailed report of criteria and values of portfolio provisioning in the statements notes. Disclosures requirements specified in the Pillar 3 BCBS guidance are also met. Resolution CMN 4,557 of 2017 requires specific credit risk information to be included in internal management reports. Compliance with IFRS 7 and IFRS 13 standards is required for financial institutions that must constitute an audit committee since December 2010, according to Resolution CMN 3,786 of 2009. **Highlight main developments since last year's survey:** **Web-links to relevant documents:** http://www.bcb.gov.br/pre/normativos/busca/downloadNormativo.asp?arquivo=/Lists/Normativos/Attachments/47513/Res_3786_v1_O.pdf (In Portuguese)	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
VIII.	**Strengthening deposit insurance**				
18 (18)	Strengthening of national deposit insurance arrangements	National deposit insurance arrangements should be reviewed against the agreed international principles, and authorities should strengthen arrangements where needed. (Rec. VI.9, FSF 2008)	Jurisdictions that have not yet adopted an explicit national deposit insurance system should describe their plans to introduce such a system. All other jurisdictions should describe any significant design changes in their national deposit insurance system since the issuance of the revised IADI *Core Principles for Effective Deposit Insurance Systems* (November 2014). In addition, jurisdictions should indicate if they have carried out a self-assessment of compliance with the revised Core Principles: • If so, jurisdictions should highlight the main gaps identified and the steps proposed to address these gaps; • If not, jurisdictions should indicate any plans to undertake a self-assessment exercise.	☐**Not applicable** ☐**Applicable but no action envisaged at the moment** *If "Not applicable" or "Applicable but no action envisaged …" has been selected, please provide a brief justification:* ☒**Implementation ongoing:** *Status of progress [for legislation and regulation/guidelines only]:* ☐Draft in preparation, expected publication by: ☐Draft published as of: ☐Final rule or legislation approved and will come into force on: ☒Final rule (for part of the reform) in force since: 2012 ☐**Implementation completed as of:** **Issue is being addressed through:** ☒Primary / Secondary legislation ☒Regulation /Guidelines ☐Other actions (such as supervisory actions), please specify: **Short description of the content of the legislation/ regulation/guideline:** Resolution CMN 4,222 of 2013 establishes the statute and regulation of the Brazilian deposit insurance for financial institutions (Fundo Garantidor de Créditos – FGC). Resolution CMN 4,284of 2013 consolidated the statute and regulation of the Brazilian deposit	**Planned actions (if any) and expected commencement date:** A bill of law on the new resolution regime currently in discussion addresses deposit insurance issues, including the expansion of the scope of deposit insurance to non-banking institutions, enhancement data to be collected by deposit insurance funds etc. Furthermore, a self assessment carried out by the FGC in 2016 is expected to be validated in March 2017 under the scope of IADI's Self Assessment Technical Assistance Program (SATAP). This validation will allow for confirming the identification of gaps so far and pointing out any unresolved gaps. **Web-links to relevant documents:**

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				insurance for credit unions (Fundo Garantidor do Cooperativismo de Crédito – FGCoop). Both resolutions were amended by Resolution CMN 4,312 of 2014. An improvement of the FGC's statute restricting the insurance coverage of institutional investors has been instituted by Resolution CMN 4,469 of 2016. Also in 2016, Resolution CMN 4,518 allows the FGCoop to act along the same lines as the FGC, as a paybox plus and being able to offer liquidity assistance to its associates. **Highlight main developments since last year's survey:** **Web-links to relevant documents:**	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
IX.	**Safeguarding the integrity and efficiency of financial markets**				
19 (19)	Enhancing 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 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. (Cannes)	Jurisdictions should indicate whether high frequency trading and dark pools exist in their national markets. Jurisdictions should indicate the progress made in implementing the recommendations: • in relation to dark liquidity, as set out in the IOSCO Report on Principles for Dark Liquidity (May 2011). • on the impact of technological change in the IOSCO Report on Regulatory Issues Raised by the Impact of Technological Changes on Market Integrity and Efficiency (Oct 2011). • on market structure made in the IOSCO Report on Regulatory issues raised by changes in market structure (Dec 2013).	☐**Not applicable** ☐**Applicable but no action envisaged at the moment** *If "Not applicable" or "Applicable but no action envisaged …" has been selected, please provide a brief justification:* ☐**Implementation ongoing:** *Status of progress [for legislation and regulation/guidelines only]:* ☐Draft in preparation, expected publication by: ☐Draft published as of: ☐Final rule or legislation approved and will come into force on: ☐Final rule (for part of the reform) in force since: ☒**Implementation completed as of:** 2007 **Issue is being addressed through:** ☐Primary / Secondary legislation ☐Regulation /Guidelines ☒Other actions (such as supervisory actions), please specify: Development of a new version of the market surveillance system, currently in its final phase of testing.	**Planned actions (if any) and expected commencement date:** **Web-links to relevant documents:**

				Short description of the content of the legislation/ regulation/guideline: Brazil is compliant with all five IOSCO recommendations on market integrity and efficiency: Recommendation 1: according to Instruction CVM 461 of 2007, trading venues must observe non-discriminatory principles when setting requirements for access. Access rules are subjected to CVM before entering into force. Recommendation 2: control procedures for trading include auctions, circuit breakers and trading halts set by exchange rules and Instruction CVM 168 of 1991. Recommendation 3: All DMA and HFT orders are subject to pre-trade controls set by the Exchange (BM&FBOVESPA). Recommendations 4 and 5: Operation of dark pools is not permitted in Brazil. Besides, CVM is currently improving its market surveillance system, which is in operation since December 2011. As for recommendations to address risks posed by changes in market structure, Brazil has only one venue to trade equities and ETFs, so the Brazilian market cannot be considered a fragmented one. Nevertheless, CVM is ready to comply with all recommendations, given that the principles are already set in Instruction CVM 461 of 2007. **Highlight main developments since last year's survey:** **Web-links to relevant documents:** Instruction CVM 461 of 2007: http://www.cvm.gov.br/export/sites/cvm/subportal_ingles/menu/investors/anexos/CVM-Instruction-461.pdf (free translation into English)	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
20 (20)	Regulation and supervision of commodity markets	We need to ensure enhanced market transparency, both on cash and financial commodity markets, including OTC, and achieve appropriate regulation and 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. (Cannes) We also call on Finance ministers to monitor on a regular basis the proper implementation of IOSCO's principles for the regulation and supervision on commodity derivatives markets and encourage broader publishing and unrestricted access to aggregated open interest data. (St. Petersburg)	Jurisdictions should indicate whether commodity markets of any type exist in their national markets. Jurisdictions should indicate the policy measures taken to implement the principles found in IOSCO's report on *Principles for the Regulation and Supervision of Commodity Derivatives Markets (Sep 2011)*. Jurisdictions, in responding to this recommendation, may also make use of the responses contained in the update to the survey published by IOSCO in September 2014 on the principles for the regulation and supervision of commodity derivatives markets.	☐**Not applicable** ☐**Applicable but no action envisaged at the moment** *If "Not applicable" or "Applicable but no action envisaged ..." has been selected, please provide a brief justification:* ☐**Implementation ongoing:** *Status of progress [for legislation and regulation/guidelines only]:* ☐Draft in preparation, expected publication by: ☐Draft published as of: ☐Final rule or legislation approved and will come into force on: ☐Final rule (for part of the reform) in force since: ☒**Implementation completed as of:** 2007 **Issue is being addressed through:** ☐Primary / Secondary legislation ☒Regulation /Guidelines ☐Other actions (such as supervisory actions), please specify: **Short description of the content of the legislation/ regulation/guideline:** Current regulatory framework ensures full compliance with IOSCO recommendations regarding enhanced market transparency in commodity markets. Since the 1990s, all derivatives (both exchange-traded and OTC) must be registered. Law 10,303 of 2001 brought	**Planned actions (if any) and expected commencement date:** **Web-links to relevant documents:**

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				all derivatives contracts under CVM jurisdiction. Law 12,543 of 2011 expressly states that unregistered contracts are non-enforceable. Instruction CVM 461 of 2007 grants CVM powers to cancel trades that might be regarded as a breach of law or a violation of rules in the organized market. CVM only approves commodity derivatives contracts whose underlying assets' price-reporting process follows a robust and verifiable methodology. Spot reference prices for settlement purposes are published daily by the Exchange (BM&FBovespa), and the price reporting methodology has received ISO 9001:2008 certification in 2011. **Highlight main developments since last year's survey:** **Web-links to relevant documents:**	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
21 (21)	Reform of financial benchmarks	We support the establishment of the FSB's Official Sector Steering Group to coordinate work on the necessary reforms of financial benchmarks. We endorse IOSCO's Principles for Financial Benchmarks and look forward to reform as necessary of the benchmarks used internationally in the banking industry and financial markets, consistent with the IOSCO Principles. (St. Petersburg)	Collection of information on this recommendation will continue to be deferred given the forthcoming FSB progress report on implementation of FSB recommendations in this area, and ongoing IOSCO work to review the implementation of the IOSCO *Principles for Financial Benchmarks*.		

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
X.	**Enhancing financial consumer protection**				
22 (22)	Enhancing 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. (Cannes)	Jurisdictions should describe progress toward implementation of the OECD's *G-20 high-level principles on financial consumer protection (Oct 2011)*. Jurisdictions may also refer to OECD's *September 2013 and September 2014 reports* on effective approaches to support the implementation of the High-level Principles. The effective approaches are of interest across all financial services sectors – banking and credit; securities; insurance and pensions – and consideration should be given to their cross-sectoral character when considering implementation. Jurisdictions should, where necessary, indicate any changes or additions that have been introduced as a way to support the implementation of the High-level Principles, to address particular national terminology, situations or determinations.	☐**Not applicable** ☐**Applicable but no action envisaged at the moment** *If "Not applicable" or "Applicable but no action envisaged ..." has been selected, please provide a brief justification:* ☐**Implementation ongoing:** *Status of progress [for legislation and regulation/guidelines only]:* ☐Draft in preparation, expected publication by: ☐Draft published as of: ☐Final rule or legislation approved and will come into force on: ☐Final rule (for part of the reform) in force since: ☒**Implementation completed as of:** 2010 **Issue is being addressed through:** ☐Primary / Secondary legislation ☒Regulation /Guidelines ☐Other actions (such as supervisory actions), please specify: **Short description of the content of the legislation/ regulation/guideline:** Brazilian financial consumer protection framework is aligned with the G20 high-level principles on financial consumer protection. In the past few years, CMN and BCB have issued several regulations	**Planned actions (if any) and expected commencement date:** **Web-links to relevant documents:**

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				in order to ensure responsible, adequate and fair business conduct of financial institutions when providing services to their clients. Rules covered the following topics: (i) adequacy of offered and recommended products and services to clients' needs, interests and objectives ("suitability"); (ii) integrity, reliability and confidentiality of all transactions, as well as authenticity of all operations agreed and services provided; (iii) provision of all necessary information for client's decision-making process; (iv) full availability of contracts and documents related to all operations agreed and services provided; (v) use of clear, straightforward and adequate language in contracts and other documents made available to the public with regard to the type and complexity of the corresponding operation or service; (vi) clients' right to portability, including procedures for transferring wage payments and client data, as well as credit and leasing operations to other financial institutions; (vii) standardization of fees' terms and descriptions associated to the most demanded services by financial consumers; (viii) provision of pre-contractual information to financial consumers, including: a) Total Effective Cost (Custo Efetivo Total - "CET") in credit and leasing operations, consisting of an annual percentage rate that takes into consideration the interest rate, fees, taxes, insurance and other expenses associated with the operation that the consume will be charged for; b) Total Effective Value (Valor Efetivo Total - "VET") of foreign exchange operations, determined in local currency, which takes into consideration the exchange	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				rate, taxes and all fees consumers are charged; and c) standardized account balance featuring the most relevant information related to checking or payment accounts; (ix) transparency procedures related to credit contracts, including the obligation of disclosing all charges expected along the regular course of the operation; (x) disclosure by the financial institution, in all its branches and in its internet homepage, of information related to rendered services and associated fees, free-of-charge services, services bundles, as well as credit card benefits and reward programs; (xi) transparency of credit card statements; and (xii) establishment of an ombudsman component in each financial institution, in order to act as a communication channel between the institution and its clients, as well as to mediate conflicts. **Highlight main developments since last year's survey:** Resolution CMN 4,539 of 2016 requires all financial institutions to set up an institutional policy on the relationship with financial consumers. This policy must compile the institution's guidelines, objectives and core values towards promoting a sound corporate culture based on ethics, transparency, diligence and accountability. Financial institutions are expected to work with consumers in a cooperative and balanced manner, striving to treat them fairly and equitably throughout their relationship, which covers pre-contractual, contractual and post-contractual duties. **Web-links to relevant documents:**	

2017 IMN Survey of National Progress in the Implementation of G20/FSB Recommendations

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XI. Source of recommendations

Hangzhou: G20 Leaders' Communique (4-5 September 2016)

Antalya: G20 Leaders' Communique (15-16 November 2015)

Brisbane: G20 Leaders' Communique (15-16 November 2014)

St Petersburg: The G20 Leaders' Declaration (5-6 September 2013)

Los Cabos: The G20 Leaders' Declaration (18-19 June 2012)

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

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

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

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

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

Washington: 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)

FSB 2012: The FSB Report on Increasing the Intensity and Effectiveness of SIFI Supervision (1 November 2012)

XII. List of abbreviations used

BCB: Central Bank of Brazil

CMN: National Monetary Council

Comef: Financial Stability Committee

Copom: Monetary Policy Committee

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

CVM: Securities and Exchange Commission of Brazil

SFN: National Financial System