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**Trade in Services**

**BRAZIL**

SCHEDULE OF SPECIFIC COMMITMENTS

*Revision*

(This is authentic in English only)

This text replaces the financial services section contained in pages 15 to 20 of document GATS/SC/13.

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**FEDERATIVE REPUBLIC OF BRAZIL  
SCHEDULE OF SPECIFIC COMMITMENTS**

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<p>7. FINANCIAL SERVICES</p> <p>A. <u>All insurance and insurance-related services</u></p> <ul style="list-style-type: none"> <li>- Life insurance.</li> <li>- Insurance on freight.</li> <li>- Property insurance.</li> <li>- Medical care insurance.</li> <li>- Liability insurance.</li> <li>- Body, machinery and civil liability insurance for vessels.</li> </ul>	<p>1) Unbound except for:</p> <ul style="list-style-type: none"> <li>- insurance on freight: none. However, commercial presence is required for contracts on, and any liability arising from, imported goods.</li> <li>- body, machinery and civil liability insurance may be authorized for vessels registered in the Brazilian Special Registry (REB), depending on internal supply conditions.</li> </ul> <p>2) Unbound.</p> <p>3) Incorporation under Brazilian law, in the form of a "sociedade anônima", and the enactment of a Presidential decree, are required.</p> <p>4) Unbound except as indicated in the horizontal section.</p>	<p>1) None for:</p> <ul style="list-style-type: none"> <li>- insurance on freight, except for contracts on, and any liability arising from, imported goods;</li> <li>- body, machinery and civil liability insurance may be authorized for vessels registered in the Brazilian Special Registry (REB).</li> </ul> <p>Unbound for other services.</p> <p>2) Unbound.</p> <p>3) None.</p> <p>4) Unbound except as indicated in the horizontal section.</p>	

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Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
- Work accident insurance.	1) Unbound. 2) Unbound. 3) The National Social Security Institute (INSS) is the sole authorized supplier. 4) Unbound except as indicated in the horizontal section.	1) Unbound. 2) Unbound. 3) Unbound. 4) Unbound.	Brazil will undertake commitments regarding commercial presence in the work accident insurance market within two years after the adoption by the National Congress of legislation regulating such presence.
- Reinsurance and retrocession.	1) Unbound. 2) Unbound. 3) Reinsurers shall be organized as a "sociedade anônima", and shall not engage in any other business activity, including direct insurance. 4) Unbound except as indicated in the horizontal section.	1) Unbound. 2) Unbound. 3) Unbound. 4) Unbound.	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
- Auxiliary services - agencies and brokers.	1) Unbound. 2) Unbound. 3) For legal persons, incorporation under Brazilian law is required. 4) Unbound except as indicated in the horizontal section.	1) Unbound. 2) Unbound. 3) None. 4) Unbound except as indicated in the horizontal section.	
- Auxiliary services - consultancy, actuarial and surveys.	1) None. 2) None. 3) None. 4) Unbound except as indicated in the horizontal section.	1) None. 2) None. 3) None. 4) Unbound except as indicated in the horizontal section.	
<b>B. <u>Banking and other financial services</u></b>			
For the purpose of these commitments, financial institutions are defined as multiple banks, commercial banks, investment banks, consumer finance companies, real estate finance companies, leasing companies, brokers and dealers. Each may perform only those activities permitted by the National Monetary Council, the Central Bank and/or the Securities Commission. Financial instruments, such as securities, futures and options, when registered for negotiation on an exchange, can not be traded in an over-the-counter market. All members of senior level management of financial services suppliers must be permanent residents in Brazil. Representative offices may not engage in commercial business.			

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<p>B.1) <u>Services provided by financial institutions</u></p> <p>- Acceptance of the following funds from the public:</p> <p>(i) demand deposits;</p> <p>(ii) time deposits;</p> <p>(iii) savings deposits destined for housing finance.</p> <p>- Lending of all types, including:</p> <p>(i) consumer credit;</p> <p>(ii) mortgage credit;</p> <p>(iii) financing of commercial transactions.</p>	<p>1) Unbound.</p> <p>2) Unbound.</p> <p>3) The establishment of new branches and subsidiaries of foreign financial institutions, as well as increases in the participation of foreign persons in the capital of financial institutions incorporated under Brazilian law, is only permitted when subject to a case-by-case authorization by the Executive Branch, by means of a Presidential decree. Applying investors may be required to fulfil specific conditions. Foreign persons may participate in the privatization program of public sector financial institutions and in each case commercial presence will be granted, also by means of a Presidential decree. Otherwise, commercial presence is not allowed.</p> <p>For those banks established within Brazil before October 5th, 1988, the aggregate number of branches is limited to that existing on that date. For those banks authorized to operate in Brazil after that date, the number of branches is subject to the conditions set out, in each case, at the time authorization is granted.</p>	<p>1) Unbound.</p> <p>2) Unbound.</p> <p>3) None.</p>	<p>For factoring services, national treatment shall be granted in commercial presence, if these services are defined as financial services in future legislation adopted by the National Congress.</p>

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<ul style="list-style-type: none"> <li>- Financial leasing.</li> <li>- Payment and money transmission services</li> <li>- Guarantees and commitments.</li> <li>- Trading for own account or for the account of customers, whether on an exchange or in an over-the-counter market, of the following:               <ul style="list-style-type: none"> <li>(i) money market instruments;</li> <li>(ii) foreign exchange;</li> <li>(iii) futures, options and swaps referenced in bullion and in price indexes;</li> <li>(iv) exchange rate and interest rate instruments, including swaps;</li> <li>(v) transferable securities;</li> </ul> </li> </ul>	<p>Financial institutions, unless otherwise specified, shall take the form of a "sociedade anônima" when incorporated under Brazilian law.</p> <p>4) Unbound, except as indicated in the horizontal section.</p>	<p>4) Unbound, except as indicated in the horizontal section.</p>	

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Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<p>(vi) other negotiable instruments and financial assets, including bullion.</p> <ul style="list-style-type: none"> <li>- Participation in public offerings of securities, including underwriting and placement as agent, and provision of services related to such offers.</li> <li>- Money brokerage.</li> <li>- Asset management, management of collective investments and custodial and depository services.</li> <li>- Settlement and clearing services for securities and derivatives.</li> <li>- Advisory services, investment and portfolio research and advice and credit analysis.</li> </ul>			

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Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<p>B.2) <u>Services provided by non-financial institutions</u></p> <p>(i) Trading for own account or for the account of customers, whether on an exchange or in a regulated over-the-counter market, of securities and derivatives.</p> <p>(ii) Clearing services for securities and derivatives.</p> <p>(iii) Public offerings of securities in a regulated over-the-counter market.</p> <p>(The securities and derivatives in the three sub-sectors listed above are the following:</p> <ul style="list-style-type: none"> <li>- corporate shares, debentures, secured bonds, founder's shares, coupons of these securities, and subscription warrants;</li> <li>- securities certificates of deposit;</li> </ul>	<p>1) Unbound.</p> <p>2) Unbound.</p> <p>3) None except that:</p> <ul style="list-style-type: none"> <li>- legal persons must be incorporated under Brazilian law;</li> <li>- only legal persons may provide the services listed in items ii and iii;</li> <li>- clearing services shall be provided by "sociedades anônimas".</li> </ul> <p>4) Unbound, except as indicated in the horizontal section.</p>	<p>1) Unbound.</p> <p>2) Unbound.</p> <p>3) None.</p> <p>4) Unbound, except as indicated in the horizontal section.</p>	



Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<ul style="list-style-type: none"> <li>- indices representing corporate shares portfolios;</li> <li>- securities options, forwards and futures contracts;</li> <li>- commercial paper issued by public companies, except financial institutions, securities brokers, securities dealers, and leasing companies;</li> <li>- securities subscription rights;</li> <li>- securities subscription receipts;</li> <li>- corporate shares certificates of deposit;</li> <li>- shares of real estate investment funds;</li> <li>- non-standardized options;</li> <li>- audio-visual certificates.)</li> </ul> <p>(iv) Advisory services, investment and portfolio research and advice and credit analysis.</p> <p>(v) Portfolio management of investment funds subject to the regulation of the Securities Commission.</p>			