

ORGANIZATION

(98-0633)

Trade in Services

BRAZIL

Schedule of Specific Commitments

Supplement 3

(This is authentic in English only)

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

**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
7. FINANCIAL SERVICES <u>All insurance and insurance-related services</u> -Life insurance. -Insurance on freight. -Property insurance. -Medical care insurance. -Liability insurance. -Body, machinery and civil liability insurance for vessels.	Unbound except for: insurance on freight: none. However, for contracts on, and any liability arising from, body, machinery and civil liability insurance entered in the Brazilian Special Registry (REB), tions. Unbound. Incorporation under Brazilian law, in the form of ctment of a Presidential decree, are required. Unbound except as indicated in the horizontal	None for: insurance on freight, except for contracts on, body, machinery and civil liability insurance may Unbound. None. Unbound except as indicated in the horizontal	
-Work accident insurance.	Unbound. Unbound. The National Social Security Institute (INSS) is Unbound except as indicated in the horizontal	Unbound. Unbound. Unbound. 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.	Unbound.	Unbound.	Brazil will undertake

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>Unbound.</p> <p>Future regulations will permit supply by private exclusive competence of the Brazilian reinsurance (S.A.) to accept mandatory or facultative as well as to distribute reinsurance it does not retain.</p> <p>Unbound except as indicated in the horizontal</p>	<p>Unbound.</p> <p>Unbound.</p> <p>Unbound.</p>	<p>commitments regarding commercial presence in the reinsurance and retrocession markets in less than two years after the adoption by the National Congress of legislation regulating such presence.</p>
-Auxiliary services - agencies and brokers.	<p>Unbound.</p> <p>Unbound.</p> <p>For legal persons, incorporation under Brazilian</p> <p>Unbound except as indicated in the horizontal</p>	<p>Unbound.</p> <p>Unbound.</p> <p>None.</p> <p>Unbound except as indicated in the horizontal</p>	
-Auxiliary services - consultancy, actuarial and surveys.	<p>None.</p> <p>None.</p> <p>None.</p> <p>Unbound except as indicated in the horizontal</p>	<p>None.</p> <p>None.</p> <p>None.</p> <p>Unbound except as indicated in the horizontal</p>	

<p>B. <u>Banking and other financial services</u></p> <p>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.</p>			
<p>B.1) <u>Services provided by financial institutions</u></p> <p>-Acceptance of the following funds from the public:</p> <p>demand deposits;</p> <p>time deposits;</p> <p>savings deposits destined for housing finance.</p> <p>-Lending of all types, including:</p> <p>consumer credit;</p> <p>mortgage credit;</p>	<p>Unbound.</p> <p>Unbound.</p> <p>The establishment of new branches and institutions, as well as increases in the participation of financial institutions incorporated under Brazilian law, is subject to a case-by-case authorization by the Executive Decree. Applying investors may be required to obtain approval from persons may participate in the privatization of financial institutions and in each case commercial banks are subject to the terms of a Presidential decree. Otherwise, no restrictions apply.</p>	<p>Unbound.</p> <p>Unbound.</p> <p>None.</p>	<p>For the services of credit cards and factoring, 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>
<p>(iii) financing of commercial transactions.</p>	<p>number of branches is limited to that existing on the date of authorization and to operate in Brazil after that date, the number of branches is set out, in each case, at the time authorization is granted.</p>		
<p>-Financial leasing.</p> <p>-Payment and money transmission services (excluding credit, charge, and debit cards).</p> <p>-Guarantees and commitments.</p>	<p>“sociedade anônima” when incorporated under Brazilian law.</p>		

<p>-Trading for own account or for the account of customers, whether on an exchange or in an over-the-counter market, of the following:</p> <p>money market instruments;</p> <p>foreign exchange;</p> <p>futures, options and swaps referenced in bullion and in price indexes;</p>			
<p>(iv) exchange rate and interest rate instruments, including swaps;</p> <p>transferable securities;</p> <p>other negotiable instruments and financial assets, including bullion.</p>			
<p>-Participation in public offerings of securities, including underwriting and placement as agent, and provision of services related to such offers.</p> <p>-Money brokerage.</p> <p>-Asset management, management of collective investments and custodial and depository services.</p>			
<p>-Settlement and clearing services for securities and derivatives.</p> <p>-Advisory services, investment and portfolio research and advice and credit analysis.</p>	<p>Unbound, except as indicated in the horizontal</p>	<p>Unbound, except as indicated in the horizontal</p>	

<p>B.2) <u>Services provided by non-financial institutions</u></p> <p>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>Clearing services for securities and derivatives.</p> <p>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"> -corporate shares, debentures, secured bonds, founder's shares, coupons of these securities, and subscription warrants; -securities certificates of deposit; 	<p>Unbound.</p> <p>Unbound.</p> <p>None except that:</p> <p>legal persons must be incorporated under</p> <p>only legal persons may provide the services</p> <p>clearing services shall be provided by</p>	<p>Unbound.</p> <p>Unbound.</p> <p>None.</p>	
<ul style="list-style-type: none"> -indices representing corporate shares portfolios; -securities options, forwards and futures contracts; -commercial paper issued by public companies, except financial institutions, securities brokers, securities dealers, and leasing companies; -securities subscription rights; -securities subscription receipts; -corporate shares certificates of deposit; -shares of real estate investment funds; 			

<p>-non-standardized options; -audio-visual certificates.)</p>			
<p>(iv) Advisory services, investment and portfolio research and advice and credit analysis.</p> <p>Portfolio management of investment funds subject to the regulation of the Securities Commission.</p>	<p>Unbound, except as indicated in the horizontal</p>	<p>Unbound, except as indicated in the horizontal</p>	