



Regulation of Fondo Garantidor de Créditos - FGC

TO RESOLUTION 4,222, OF MAY 23, 2013

[\(Annex II as per wording of Resolution 4,688, of September 25, 2018.\)](#)

CHAPTER I – Ordinary Guarantee

Article 1 - The beneficiaries of the ordinary guarantee rendered by Fondo Garantidor de Créditos (FGC) are the member-institutions, referred to under Article 11 of the FGC's statute, the investors and depositors of these institutions.

Article 2 - The credits represented by the following financial instruments are covered by the ordinary guarantee rendered by FGC:

I - demand deposits or deposits drawable upon prior notice;

II - savings deposits;

III - time deposits with or without the issuance of certificate;

IV - deposits kept in accounts other than checking accounts used for registration and control of the flow of funds relative to the payment of salaries, compensation, retirement benefits, pension and the like;

V - bills of exchange;

VI - mortgage notes;

VII - real estate credit notes;

VIII - agribusiness credit notes; and

IX - repurchase agreements that have as object securities issued by an affiliated company after March 8, 2012.



Paragraph 1 - The ordinary guarantee does not cover:

I - deposits, loans, or any other funds raised abroad;

II – operations related to programs of governmental interest instituted by law;

III – judicial deposits;

IV - any financial instrument that contains a subordination clause, authorized or not by the Central Bank of Brazil to comprise the regulatory capital of the financial institutions and other institutions authorized to operate by the Central Bank of Brazil; and

V - credits:

a) owned by financial institutions and other institutions authorized to operate by the Central Bank of Brazil, private pension entities and pension entities under regimes established by the Federal, State, Federal District and City Governments, insurance companies, capitalization companies, investment clubs, investment funds, and institutional investors residing or domiciled abroad; and

b) consisting of shares of investment funds or that represent interests in the entities referred to in item “a” or in their own financial instruments;

Paragraph 2 – The total credits of each person against the same member-institution, or against all member-institutions of the same financial conglomerate, shall be guaranteed up to the amount of R\$ 250,000.00 (two hundred and fifty thousand reais).

Paragraph 3 – The total credits of each creditor against all member-institutions shall be guaranteed up to the amount of one million reais (R\$ 1,000,000.00) for each period of four consecutive years.

Paragraph 4 - For the purpose of determining the guaranteed amount of



credits to each person, the following criteria must be complied with:

I - credit holder is the person in whose name the financial instrument is entered in the books of the member-institution, or the person designated in a security issued or accepted by said member-institution;

II - there shall be added all credits of each creditor identified by the respective number in the National Register of Individual Taxpayers (CPF) or the National Register of Corporate Taxpayers (CNPJ) against all member-institutions of the same financial conglomerate;

III - in the event of investment in a financial instrument related under the items of the main clause of this article, whose negotiation is mediated by an institution belonging to the National Financial System (SFN), the ownership of credits against FGC's member-institutions shall be evidenced by the intermediary institution's client involved in the operation, upon presentation of the operation's negotiation note, in accordance with the applicable law;

IV - credits held by unincorporated associations, co-ownerships, and other similar entities, when covered as provided for in this Regulation, shall be guaranteed up to the amount referred to in Paragraph 2 of this article, for the totality of their assets, in a same financial conglomerate; and

V - in joint accounts, the guarantee is limited to the amount referred to in Paragraph 2 of this article, or to the account balance, if the balance amount is lower than this limit, divided by the number of holders, and the credit of the guaranteed amount shall be made individually;

VI - in foreign currency accounts, the amount shall be converted into real based on the average of the official quotes for the purchase and sale of the foreign currency on the date of the decision for the resolution regime, as disclosed on the Central Bank of Brazil's internet site;

VII - the limit provided for under Paragraph 3 is applicable to all operations contracted or reviewed after December 22, 2017; and



VIII – the period of four consecutive years addressed under Paragraph 3 shall start when the first event mentioned in item I of Article 3 of FGC's statute occurs, that day included, for each creditor covered by the ordinary guarantee offered by FGC.

Paragraph 5 - in the event set forth under Paragraph 4, item III, the intermediary institution of the operation shall submit to the intervener or to the liquidator a list of its clients, mentioning the invested amounts, the date and other characteristics of the investment in financial instruments under the responsibility of the issuer under intervention or extrajudicial liquidation.

Paragraph 6 - In the case of credits referred to under Paragraph 4, item IV, FGC's guarantee does not cover the members of the member-institutions, co-owners or any members of those entities.

Paragraph 7 – In the events of acquisition of a member-institution, or merger of one member-institution into another, or consolidation of two member-institutions, where the same investor or depositor holds financial instruments issued by both, their right to the ordinary guarantee over the financial instruments issued by the acquired, merged, or consolidated institution shall coexist with the right to the ordinary guarantee over financial instruments issued by the acquirer, according with the following terms:

I – regarding the financial instruments mentioned under items I, II and IV of the main clause, up to the first business day of the second month after the approval of the acquisition, merger or consolidation by the applicable regulating bodies; and

II – regarding the financial instruments mentioned under items III and V to IX of the main clause, up to the first date after the date referred to in item I, where the balance of the financial instruments may be withdrawn or redeemed.

Paragraph 8 – The acquiring or merging institution shall inform FGC of the

date of approval of the operation, addressed under item I of Paragraph 7, within ten days from the approval.

Paragraph 9 - The exclusion of any financial instruments from the list provided for in the main clause shall be in force from the first business day after the date of publication of the resolution of the National Monetary Council that approves it, and the guarantee relating to the financial instruments issued before the exclusion shall be maintained.

Article 3 – If the events described under the sub-items “a” and “b” of item I of main clause of Article 3 of FGC’s Statute, the information on the amounts corresponding to the payment of the guarantee shall be provided directly to FGC by the legal representative of the member-institution, and it is the responsibility of FGC to appoint the member-institution in charge of the payments.

CHAPTER II – Liquidity Goal

Article 4 – FGC’s goal shall be to maintain its liquidity at an amount equivalent to two and five tenths per cent (2.5%) of the total balances of the accounts covered by the guarantee, in all member-institutions, called average index, considering the possibility of variation between the minimum index of two and three tenths per cent (2.3%) and the maximum index of two and seven tenths per cent (2.7%).

Paragraph 1 - For the effect of quantifying FGC's liquidity, the balances in available funds, cash equivalents and federal government bonds, excluding the reserve amount referred to in Article 5, shall be considered.

Paragraph 2 – Cash equivalents, for the effects of Paragraph 1, shall be defined as those recorded in the current assets of the annual and monthly balance sheets, provided they are not linked to the assistance operations addressed under Article 7 of FGC’s statute.

CHAPTER III – Resolution Fund

Article 5 – When FGC’s liquidity reaches the minimum index established in Article 4, FGC shall set up a specific financial reserve of resources called Resolution Fund (FR), solely aimed at funding the assistance or financial support operations, addressed under Article 4 of FGC's statute, with the following member-institutions:



I – the financial institutions included in segment S1 established under Resolution 4,553, of January 30, 2017; and

II – other institutions systematically considered as important by the Central Bank of Brazil.

Sole paragraph. The utilization of the Resolution Fund's resources is subject to the decision for the resolution regime in the institutions addressed under the main clause, provided that the regime does not prompt the payment of the guarantee.

Article 6 – The Resolution Fund shall aim at having the amount equivalent to at least one per cent (1%) of the total of the balances of the accounts covered by the guarantee, in all member-institutions.

Paragraph 1 – Whenever FGC's liquidity is between the minimum and average indexes set forth under Article 4, the following resources shall be used to compose the Resolution Fund:

I – eight per cent (80%) of the ordinary and special contributions from member-institutions;

II – reimbursement to FGC of the assistance, liquidity and structural assistance to the financial member-institutions; and

III – recovery by FGC, as a subrogated creditor, of the funds spent for payment of the ordinary and special guarantees.

Paragraph 2 - Whenever FGC's liquidity is between the average and maximum indexes set forth under Article 4, the percentage addressed under item I of Paragraph 1 shall be ninety per cent (90%).

Paragraph 3 - Whenever the liquidity of FGC reaches the maximum limit established in Article 4 and the Reserve Fund has not achieved the target envisaged in the **main clause**, the percentage mentioned in item I of Paragraph 1 shall be one hundred percent (100%). ([Wording as per Resolution 4,722, of 5/30/2019.](#))



Paragraph 4 The provisions set forth under Paragraphs 1 to 3 are not applicable during the time the Resolution Fund meets the goal established in the **main clause**.

Paragraph 5 - The Reserve Fund is formed by revenues of any nature resulting from investment of its equity. (Included by Resolution 4,722, of 5/30/2019.)

Article 7 - The Board of Directors, based on a substantiated proposal by the Executive Board, may submit to the Central Bank of Brazil a proposal to reduce the payment of contributions by member-institutions, for review of and submission to the authorization of the National Monetary Council, whenever FGC's liquidity, for at least twelve consecutive months, is equal to or higher than the average index set forth under Article 4 and the Resolution Fund value is equal to or higher than the goal established under Article 6.

Article 8 – The liquidity goals of both FGC and the Resolution Fund shall be reviewed every four years.

CHAPTER IV – Special Guarantee

Article 9 – The time deposits are covered by the special guarantee provided by FGC, without issuance of a certificate, under the terms and limits set forth by the National Monetary Council, raised by authorized institutions.

Paragraph 1 - Deposits dealt with under the main clause above shall be known as "Time Deposits with Special Guarantee from FGC (DPGE)" and shall be specified as such in contracts.

Paragraph 2 - FGC's coverage of DPGE shall only be required in the cases addressed under item I of Article 3 of FGC's Statute, and it shall be paid up to three working days after a decision for intervention or extrajudicial liquidation is made. FGC is responsible for designating the financial institution responsible for paying the guaranteed investments.

Paragraph 3 - In the event of divergence or delay in submitting information and documents, the deadline of up to three days for payment shall be extended until the procedures published by FGC on its internet site are met.



Paragraph 4 - Deposits addressed under the main clause above shall be contracted with only one holder, to be identified by the respective number in the National Register of Individual Taxpayers (CPF) or the National Register of Corporate Taxpayers (CNPJ), and deposits in joint accounts are prohibited.

Paragraph 5 - FGC's coverage of DPGE shall be adjusted by the index stipulated in the contracts of the respective instruments until the date of the decision for intervention or extrajudicial liquidation of the member-institution.

Article 10 - Total credits relative to DPGEs of each person against the same FGC's member-institution, or against all member-institutions of the same financial conglomerate, shall be guaranteed up to the maximum amount of CR\$20,000,000.00 (twenty million reais).

Sole paragraph. For the purpose of determining the guaranteed amount of credits to each depositor, the following criteria must be complied with:

I - credit holder is the person in whose name the credit is registered in the books of the member-institution, or the person designated in a security issued or accepted by said member-institution;

II - there shall be added all credits of each creditor identified by the respective number in the National Register of Individual Taxpayers (CPF) or the National Register of Corporate Taxpayers (CNPJ) against all member-institutions of the same financial conglomerate;

III - credits held by associations, co-ownerships, cooperatives, groups or consortium administrators, private pension entities, insurance companies, capitalization companies, and other unincorporated companies and associations, and other similar entities shall be guaranteed up to the amount of R\$ 20,000,000.00 (twenty million reais) for the totality of their assets, in a same financial conglomerate.

Article 11 - The limit for raising deposits, for the purpose of Article 9 of this regulation, is the one set forth by the National Monetary Council.



Article 12 - Financial institutions authorized to raise DPGEs shall provide deposit holders with a specific certificate of record of the deposit, issued by the recording entity.

Sole paragraph. The specific certificate of record referred to above shall be forwarded to the depositor up to five working days after contracting the operation.

**CHAPTER V –
General Provisions**

Article 13 - the receipt of credits against member-institutions by means of proxies shall be previously justified and approved by FGC.

Note: Wording does not replace the publication in the Federal Official Gazette (DOU) and Sisbacen.

Note 2: This is a simple translation and should not be considered as an official or a certified translation into English.