The representative of Brazil has supplied the text of Law No. 4595 of 31 December 1964, concerning reform of the banking system. The chapter on the central bank is reproduced below, and the complete text of the law is available in English at the secretariat for reference use by interested contracting parties.

LAW No. 4595 of 31 December 1964

CHAPTER I

OF THE NATIONAL FINANCIAL SYSTEM

Article 1

The National Financial System, structured and regulated by this law, shall consist of:

I. The National Monetary Council;

II. The Central Bank of the Republic of Brazil;

III. The Bank of Brazil S.A.;

IV. The National Bank for Economic Development;

V. Other financial institutions, both public and private.
CHAPTER III

OF THE CENTRAL BANK OF THE REPUBLIC OF BRAZIL

Article 8

The existing Money and Credit Superintendency is transformed into an autonomous federal agency with headquarters in the Capital of the Republic with the designation "Central Bank of the Republic of Brazil", with juridical personality and its own assets, the latter constituted of goods, rights and values transferred to it as per this law and in addition, from the appropriation of interests and revenues accruing as of the effective date of this law, from the dispositions of Article 9, Decree Law No. 8495 of 28 December 1945, now expressly revoked.

Sole Paragraph

The results obtained by the Central Bank of the Republic of Brazil will be incorporated in its assets.

Article 9

It is incumbent upon the Central Bank of the Republic of Brazil to comply and to enforce compliance with the relevant dispositions of the law and with the rules promulgated by the National Monetary Council.

Article 10

The Central Bank of the Republic of Brazil has exclusive competence to:

I. Issue currency and coins under the conditions and within the limits authorized by the National Monetary Council (vetoed);¹

II. Perform means of circulation services;

III. Receive the compulsory deposits dealt with in section XIV of Article 4 of this law, as well as the voluntary deposits of financial institutions in the terms of section III and paragraph 2 of Article 19 of this law;

IV. Effect loan and rediscount operations to banking and financial institutions as well as to those referred to in Article 4, section XIV, letter "b" and in paragraph 4 of Article 49 of this law;

V. Exercise control over all forms of credit;

¹The designation "(vetoed)" refers to material deleted by presidential veto which does not appear in this text.
VI. Control foreign capital in the terms of the law;

VII. Act as the depository of official gold and foreign currency reserves;

VIII. Supervise financial institutions and apply the penalties prescribed;

IX. Grant authorization to financial institutions in order that they may:
   (a) operate in the country;
   (b) establish or transfer their headquarters or dependencies, including those overseas;
   (c) be transformed, merged, incorporated or liquidated;
   (d) conduct exchange operations, extend real credit and negotiate federal, State or municipal certificates of indebtedness, stocks, bonds, mortgages and other certificates of credit or ownership;
   (e) have their franchises extended;
   (f) alter their statutes.

X. Establish conditions for incumbency and exercise of any administrative office in private financial institutions as well as for the exercise of any function in consultative, fiscal and similar organs according to rules promulgated by the National Monetary Council.

XI. Effect, as an instrument of monetary policy, the purchase and sale of federal public securities;

XII. Require that the headquarters of financial institutions register the values of the real property owned by firms with which their agencies have dealt for more than one year.

Paragraph 1

In the exercise of the functions to which section IX of this Article refers, and based on rules promulgated by the National Monetary Council, the Central Bank of the Republic of Brazil will study the requests presented to it, will resolve to grant or refuse the authorization requested and will (vetoed) include those clauses considered to be of public interest.
Paragraph 2

With due regard to the provisions of the previous paragraph, foreign financial institutions will require authorization of the Executive Branch in the form of a decree in order to be able to operate in the country (vetoed).

Article 11

It is also incumbent upon the Central Bank of the Republic of Brazil:

I. To establish connections in the name of the Brazilian Government with foreign and international financial institutions;

II. To promote, as an agent of the Federal Government the placement of internal or external loans, it being also empowered to take necessary action with respect to such loans;

III. To act to regularize the functioning of the exchange market, to stabilize the exchange rates and to establish equilibrium in the balance of payments, being competent to these ends to buy and sell gold and Brazilian currency as well as to conduct credit operations abroad and to differentiate between the financial and commercial exchange markets;

IV. To effect the purchase and sale of securities of mixed entities and State enterprises;

V. To issue its own securities under terms established by the National Monetary Council;

VI. To regulate the clearance of cheques and other paper;

VII. To exercise permanent vigilance in the financial and capital markets over those enterprises that, directly or indirectly, interfere in these markets as well as over the operational devices or processes which these enterprises utilize;

VIII. To provide secretariat services to the National Monetary Council under the control of the Council.

Sole Paragraph

The Central Bank of the Republic of Brazil shall, with the authorization of the National Monetary Council, establish agencies in the various geo-economic regions of the country with a view to administrative decentralization for purposes of distribution and collection of currency and implementation of Council decisions and legal provisions.
Article 12

The Central Bank of the Republic of Brazil will operate exclusively with public and private financial institutions; banking operations of whatever nature with other public or private persons, except those expressly authorized in this law, being prohibited.

Article 13

The carrying out of functions and services incumbent upon the Central Bank of the Republic of Brazil can be contracted to the Bank of Brazil S.A. by determination of the National Monetary Council for the period and under the conditions established by the Council.

Sole Paragraph

The execution of the said functions and services can also be contracted with the express authorization of the National Monetary Council and under terms and conditions to be established by it, to other financial institutions operating in areas where there are no agencies of the Bank of Brazil S.A.

Article 14

The Central Bank of the Republic of Brazil shall be administered by a Directorate of 4 (four) members one of whom shall be the President, chosen by the National Monetary Council from among its members mentioned in section IV of Article 6 of this law.

Paragraph 1

The alternate to the President of the Central Bank of the Republic of Brazil shall be a Director designated by the National Monetary Council.

Paragraph 2

The end of term, renouncement or other termination of National Monetary Council membership shall also result in the loss of function as Director of the Central Bank of the Republic of Brazil.

Article 15

The internal regulations of the Central Bank of the Republic of Brazil to which section XXVII of Article 4 of this law refers, shall prescribe the functions of the President and of the Directors and shall specify those matters requiring a decision by the Directorate which shall be taken by a simple majority of votes,
the presence of the President or his alternate and two other Directors constituting a quorum and with the President having two votes in case of tie.

Sole Paragraph

The Directorate shall hold regular meetings once a week and special meetings whenever necessary upon being convened by the President or at the request of at least two of its members.

Article 16

The Revenue of the Central Bank of the Republic of Brazil shall be:

I. Interest from rediscounts, from loans and from other uses of its resources;

II. The proceeds of exchange operations, the purchase and sale of gold and any other operations.

III. "Fiscalization Tax" collections, as provided for in this law.

- Miscellaneous receipts including fines and interest on overdue accounts in accordance with the law.

Paragraph 1

Beginning with fiscal 1965 the "fiscalization tax" will come due each semester, being paid before 30 April and 31 October each year, being collected directly by the Central Bank of the Republic of Brazil in the manner established by the Bank and being applicable to all the financial institutions referred to in Article 17 of this law.

Paragraph 2

The rate of the "fiscalization tax" will be up to 0.5/1,000 (one half per thousand) and will be applied to the overall liabilities of financial institutions excluding the amount of the "compensation" account in the last balance sheet of the previous year.

Paragraph 3

Within the limit mentioned in the previous paragraph and taking into account the nature of the financial institutions, the National Monetary Council will establish annually the rate of the "fiscalization tax" with a view to covering the expenses of the Central Bank of the Republic of Brazil with due consideration to other anticipated revenues.

(Chapters IV-VII omitted)