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| Brazilian Income Events |
| MDPUG Discussion Points – 21st November 2017 |

# Summary

Brazilian equity income distributions are classed as follows:

* **‘Dividendos’**
* Straight cash dividends
* Announced as DVCA in ISO 15022.
* **‘Juros’ (JU)**
* ‘Juros sobre o capital proprio’ = Interest on the capital distribution.
* The interest component will always be equal to the Gross amount announced
* Net amount also sometimes announced at source, although not always
* Previously raised at SMPG – Clarified by SMPG that these should be announced as DVCA and not INTR in ISO 15022

**Example – Telefonica Brasil BRVIVTACNPR7 (‘Juros sobre o capital proprio’)**

**BMF Bovespa Announcement**

<http://www.bmfbovespa.com.br/en_us/products/listed-equities-and-derivatives/equities/listed-companies.htm>

**Company Announcement**

<http://ri.telefonica.com.br/en/Download/1572_Notice_to_the_Market_-_Sep_18_2017_IOC_amount_per_share_confirmation.pdf>

* **‘Rendimentos’**
* Either a fund distribution or ‘Rendimentos of Dividendos (RD)’ or ‘Rendimentos of Juros (RJ)’ adjustment
* Fund Distributions announced as “Rendimentos” classed as Capital Gains payments. Announced in ISO 15022 as CAPG.
* A ‘Rendimentos’ can be announced as an adjustment on the existing ‘Dividendos’ distribution.
* One of the reasons noted for this change in review of some events was a dividend adjustment announced by Taxa Selic (Index by which interest rates charged by banks are set).
* ‘Rendimentos’ amounts recently announced separately by exchange as a separate amount, but ‘Rendimentos’ adjustment relates to an adjustment to ‘Dividendos’ and not a separate distribution
* No current standard for announcing ‘Dividendos’ adjustments in ISO 15022. Currently DVCA updated with adjusted rate accordingly.

**Example – Eletrobas BRELETACNPB7 (Rendimentos of Juros (RJ)’ adjustment)**

**BMF Bovespa Announcement**

<http://www.bmfbovespa.com.br/en_us/products/listed-equities-and-derivatives/equities/listed-companies.htm>

**Company Announcement** <http://eletrobras.com/en/ri/ComunidadoseFatos/Notice%20to%20Shareholders%20-%20Interest%20on%20Equity%20-%2004%2028%202017.pdf>

**Company Distribution Policy**

http://eletrobras.com/en/ri/ComunidadoseFatos/Relevant Fact 06 30 17 Dividend Policy.pdf







