

SFN – the Brazilian Financial System

The role of the Brazilian Financial System - SFN is to be a group of bodies that regulate, inspect and execute the transactions required for money and credit to circulate in the economy. It consists of several institutions. If we divide it up, we will have two sub-systems. The first sets the rules and consists of institutions that establish the rules and guidelines for operating, in addition to defining the parameters for financial intermediation and overseeing how the institutions that operate perform. It is composed of: The National Monetary Council (CMN), the Central Bank of Brazil (Central Bank), the Brazilian Securities Commission (CVM) and the Special Institutions (Banco do Brasil, BNDES and Caixa Econômica Federal, the federal savings bank).

The second sub-system is the operational side. It consists of institutions that engage in financial intermediation and whose function is to put into effect the transfer of funds between those providing them and the borrowers of those funds, based on rules, guidelines and parameters defined by the regulatory sub-system. This category covers banking and non-banking institutions and the Brazilian Savings and Loans System (SBPE), as well as non-financial and ancillary institutions.

The manner in which the institutions comprising the operating sub-system go about their business is characterized by their relationship of subordination to the regulations established by the CMN and by the Central Bank. Institutions may be penalized for failing to comply with the rules of the CMN. The penalties range from fines, to the suspension of the operating licenses of these institutions and their management.

➤ **Regulatory Bodies**

National Monetary Council - CMN

The National Monetary Council (CMN), created by Law 4.595, of December 31, 1964, is the body responsible for issuing the general guidelines for the Brazilian Financial System to function properly. The CMN consists of the Minister of Finance (President), the Minister for Planning, Budget and Management and the President of the Central Bank of Brazil. Its functions include: adapting the volume of payment methods to the actual requirements of the economy; regulating the domestic and external value of the currency and the equilibrium of the balance of payments; providing guidance as to how financial institutions invest their funds; furthering the enhancement of the institutions and financial instruments; ensuring the liquidity and solvency of the financial institutions; and coordinating the monetary, credit and budget policies, as well as the domestic and external public debt.

➤ **SUPERVISORY BODIES**

Central Bank of Brazil - BACEN

O Central Bank of Brazil (BACEN) is an autonomous government agency pertaining to the Ministry of Finance, which was also created by Law 4.505 of December 31, 1964. It is é the main executor of the guidelines from the National Monetary Council and is responsible for ensuring the purchasing power of the national currency, its objectives being: to ensure proper liquidity of the economy; maintain the international reserves at an appropriate level; encourage the creation of savings; ensure stability and further the permanent enhancement of the financial system.

[Click here](#) to access the site of the BACEN.

The Brazilian Securities Exchange Commission - CVM

The Brazilian Securities Commission (CVM) is also an autonomous government agency reporting to the Ministry of Finance, having been instituted by Law 6.385, dated December 7, 1976. Its remit is to regulate, develop, control and oversee Brazil's securities market.

[Click here](#) to access the site of the CVM.

➤ **Confederations**

Click on the name of the Confederation to access the site.

[CNF - National Confederation of Financial Institutions](#)

[CNseg – the National Confederation of General Insurance, Private Pension and Life insurance, Supplementary Health and Savings Bond Companies](#)

[CONSIF – National Confederation of the Financial System](#)

➤ **Federations**

Click on the name of the Federation to access the site.

[FEBRABAN – Brazilian Federation of Banks](#)

[FELABAN – Latin American Federation of Banks](#)

[FENABAN – National Federation of Banks](#)

[FENABRAVE – National Automotive Distributors' Federation](#)

➤ **Associations**

Click on the name of the Association to access the site.

FEBRABAN

[Abance –Banks’ Association of the State of Ceará](#)

[ABBC –Brazilian Association of Banks](#)

[ABBI – Brazilian Association of International Banks](#)

[Abecip – Brazilian Association of Real Estate Credit and Savings Entities](#)

[Abecs – Brazilian Association of Credit Card and Services Companies](#)
[Abel –Brazilian Association of Leasing Companies](#)

[Abel - Associação Brasileira das Empresas de Leasing](#)

[Abrasca –Brazilian Association of Publicly Traded Companies](#)

[Acrefi - National Association of Credit, Financing and Investment Institutions](#)

[Anbima - Brazilian Association of Financial and Capital Market Entities](#)

[Ancord – National Association of Securities, Currency and Commodities Brokers](#)

[Anef – Association of the Automotive Industry Finance Houses](#)

[Anefac – National Association of Finance, Administration and Accounting Executives](#)

[Anfac – National Association of Factoring](#)

[Apimec – Association of Capital Market Investment Analysts and Professionals](#)

[Asban- Association of Banks - Goiás, Tocantins and Maranhão States](#)

[Assban– Association of Banks in the Federal District - DF](#)

➤ **Other Entities**

Click on the name of the Entity to access the site.

[B3 – Brasil, Bolsa, Balcão](#)

[BNDES - The National Economic and Social Development Bank](#)

[CIP – Interbank Payments Clearinghouse](#)

[FGC – Credit Guarantee Fund](#)

[Funcex – The Foundation for the Center for Studies in Foreign Trade](#)

[IBGC - Brazilian Institute of Corporate Governance](#)

[IBRI – Brazilian Investor Relations Institute](#)

[Serasa Experian](#)