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## **ORDINANCE NO. 419 OF NOVEMBER 20, 2019, UPDATED BY ORDINANCE NO. 122 OF MARCH 23, 2020**

THE MINISTER OF STATE OF MINES AND ENERGY, by using the powers vested in him by art. 87, sole paragraph, items II and IV of the Constitution, given the provisions in arts. 11 and 12 of Decree-Law No. 200 of February 25, 1967, in art. 17 of Law No. 13,576 of December 26, 2017, in art. 10-A of Decree No. 9,888 of June 27, 2019, and what is read in Case No. 48340.002940/2019-27, resolves to:

### **CHAPTER I**

#### **BOOKKEEPING OF DECARBONIZATION CREDITS**

Article 1. The bookkeeping of Decarbonization Credits (CBIO) comprises:

I – creation of Decarbonization Credits, upon request of the primary issuer, based on information provided by the National Agency of Petroleum, Natural Gas, and Biofuels – ANP in specific computerized systems, as set forth in art. 9 of Decree No. 9,888 of June 27, 2019;

II – maintenance of individual Decarbonization Credit accounts in a base allowing for the control of information related to the ownership of the booked credits;

III – registration of the Decarbonization Credits by a registering entity authorized to operate by the Central Bank of Brazil or the Brazilian Securities and Exchange Commission, within two business days after issuance; and

IV – retirement of the Decarbonization Credits and preservation of this record for at least five years.

Sole paragraph. The bookkeeping service does not assign its provider the responsibility for inspection and validation of the guarantee of Decarbonization Credits referred to in art. 9 of Decree No. 9,888 of 2019.

Article 2. The following information about Decarbonization Credits shall be included in the individual accounts referred to in art. 1, item II:

I – identification, qualification, legal nature, and domicile of the primary issuer;

II – the record control number of the Decarbonization Credits at the registering entity; and

III – the control number provided by the National Agency of Petroleum, Natural Gas, and Biofuels – ANP in a specific computerized system that links the Decarbonization Credits issued to its respective guarantee pursuant to the terms set forth in art. 9, ¶1 of Decree No. 9,888 of 2019.” (Regulatory Standard (NR))

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Article 3. The provision of bookkeeping of Decarbonization Credits shall be the subject matter of a specific contract entered into by and between the primary issuer, the contracting party, and the bookkeeping agent, the contracted party, and shall provide, at least, for:

I – the requirement that only the bookkeeping agent may perform the bookkeeping acts related to Decarbonization Credits under the agreement; and

II – the description of the operating procedures, obligations, duties, and responsibilities of the contracting party and the contracted party.

Paragraph 1. The primary issuer may keep a contract with only one bookkeeping agent.

Paragraph 2. In case of contract termination or interruption in the bookkeeping service, the primary issuer shall replace the bookkeeping agent within fifteen business days.

Paragraph 3. The bookkeeping agent shall transfer, immediately, to the contracting party or the person appointed thereby, data, information, and the documents related to the services provided up to the time of contract termination or interruption in the bookkeeping service referred to in ¶2.

## CHAPTER II

### RECORD IN A REGISTERING ENTITY

Article 4. The registering entity in which the Decarbonization Credits are recorded shall:

I – maintain a record of the operations conducted in trading environments for a minimum of five years or until the closure of any investigations or inquiries properly informed thereto;

II – promote cooperation and coordination among the entities responsible for the trading, clearing, and settlement environment, as well as for processing information related to trades carried out whenever these services are not internally provided; and

III – promote the creation of mechanisms of interoperability among entities that register Decarbonization Credits, in case of multiple entities.

Article 5. The Decarbonization Credits shall keep by the registering entity in individual record accounts kept for each holder and that may be operated through credit or debit transactions.

Article 6. The registering entity with which the Decarbonization Credits are registered shall advertise on a daily basis, on its website, a report containing the following information:

I – number of Decarbonization Credits registered on the previous day and in the year to date;

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II – number of Decarbonization Credits operated, financial volume and maximum, average, and minimum prices registered on the previous day and in the year to date;

III – the aggregate number of Decarbonization Credits in the categories Obligated Party and Non-Obligated Party set forth respectively in art. 8, items II and III, registered on the previous day and in the year to date; and

IV – number of Decarbonization Credits retired on the previous day and in the year to date.

### CHAPTER III

#### TRADING OF DECARBONIZATION CREDITS

Article 7. Decarbonization Credits shall be traded in an environment that ensures the confidentiality of the counterparties.

Article 8. The holders of Decarbonization Credits shall be classified in all electronic systems of bookkeeping, trading, and registration into the following categories:

I – Primary Issuer: producer or importer of biofuel authorized to operate by ANP, qualified to request the issuance of Decarbonization Credits in a number proportional to the volume of biofuel produced or imported and traded, concerning its Energy-Environmental Efficiency Rating included in the Certificate of Efficient Production of Biofuels;

II – Obligated Party: fuel distributors obliged to evidence the achievement of mandatory individual targets of reduction in emissions of greenhouse gases pursuant to art. 7, ¶2 of Law No. 13,576 of December 26, 2017, and art. 5 of Decree No. 9,888 of 2019; and

III – Non-Obligated Party: remaining holders of Decarbonization Credits, residents and non-residents, previously registered to operate in trading environments.

Article 9. The contract of Decarbonization Credit portfolio management services is permitted, being ensured powers of trading such credits for the account and the order of third parties, which shall not be classified in the categories indicated in art. 8.

Article 10. The cooperative of biofuel producers, pursuant to art. 79 of Law No. 5,764 of December 16, 1971, may trade their associates' Decarbonization Credits on an aggregate basis.

### CHAPTER IV

#### RETIREMENT OF DECARBONIZATION CREDITS

“Article 11. Retirement of Decarbonization Credits is the process of taking the credit off the market permanently upon request of its holder, preventing any future trading of the retired credit.

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Paragraph 1. The bookkeeping agent shall be informed by the registering entity about the request for retirement of Decarbonization Credits on the day of request, and proceed with the retirement in its records.

Paragraph 2. Upon receiving the request for retirement of Decarbonization Credits, the registering entity shall block the corresponding credit for transactions.

Article 12. Decarbonization Credits are valid as long as their retirement does not occur.

Article 13. The Obligated Party referred to in art. 8, item II, shall confirm the meeting of their individual targets by retiring an equivalent number of Decarbonization Credits.

Article 14. The bookkeeping agent shall send the retired position of the holders in the category "Bound Party" to the National Agency of Petroleum, Natural Gas, and Biofuels – ANP on a quarterly basis.

## CHAPTER V

### GENERAL PROVISIONS

Article 15. The bookkeeping agents, registering entities, and participants of the trading environment shall have proper controls to monitor the risks inherent to their activities, as well as manage the adjustments required for full compliance with the regulation on Decarbonization Credits in the scope of the Brazilian Biofuel Policy (RenovaBio).

Article 16. This Ordinance becomes effective on the date of publication.