



ATLAS  
BY BNP PARIBAS

CASH MANAGEMENT

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**BNP PARIBAS**

The bank  
for a changing  
world

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With a GDP of USD 4.7 trillion in 2023, Brazil is the 7th largest economy in the world. It accounts for one third of Latin America and the Caribbean's GDP (PPP) and with 216 million inhabitants, it represents one third of the region's total population. It is also the 5th largest country in the world and hosts 20% of the world's rainforest. The country has abundant natural resources, the economy is well-diversified and enjoys a well-supervised and robust financial system. Brazil is weakly integrated into the global economy and also suffers from a significant infrastructure gap, high income inequality, a complex tax system, a rigid labour market and weak governance. At a macro level, Brazil has a good capacity to honour payments in foreign currencies thanks to large foreign currency (FX) reserves, diversified FX generating activities, a strong ability to attract foreign investment and a moderate external debt burden.

Brazil's growth profile over the past decade has been relatively volatile. While the economy has averaged a 4.5% growth over period 2007-2011, economic activity since 2013 has mostly alternated between periods of relative stagnation (2014 2017, 2018, 2019) and contraction (2015, 2016, 2020). The subdued growth trajectory of recent years can be traced back to a combination of factors, including policy missteps, a less supportive external environment marked by the end of the commodity super-cycle in 2014, and a string of political and industrial corruption scandals that have impacted household and investor confidence. It is also the product of a structurally low investment rate, which has further weakened in recent years. Fiscal rigidities have impeded public investment growth, while record high lending rates (and a lack of access to long-term credit) as well as high administrative burdens and reduced access to subsidized credit have strained private investment.

Since 2023, Lula's administration has focused on restabilising the Brazilian economy. It has been shaped by a complex economic environment. Upon taking office, Lula inherited a challenging economic situation: high inflation, though a downward trend (about 5.79% in 2022), high interest rates (the SELIC rate was 13.75%), persistent fiscal deficits, and rising public debt (around 73% of GDP). The social inequalities had been exacerbated by the pandemic and the economic crises of the previous years posed significant hurdles.

The BRL has experienced significant volatility in current terms, driven by both global and domestic factors. Initially, concerns over fiscal discipline and political uncertainties led to depreciation pressures. External dynamics, including fluctuating commodity prices and global monetary tightening, have also influenced the currency. Since November '23, the BRL has devalued by 18% (1 BRL = 5.90 USD in November 2024). While the BRL has occasionally strengthened, ongoing fiscal risks and high domestic interest rates continue to weigh on investor confidence, keeping the exchange rate unstable.

## Summary

## BNP Paribas presence

BNP Paribas has been present in Brazil since 1950, with a business centre in Sao Paulo, providing corporate solutions for corporate clients. The bank offers comprehensive domestic and international cash management and trade finance solutions, including access to the local clearing house. These

services include local payment products (Boletos, TED, Pix - Instant Payments, tax & utility), collection (issuance of boleto), investment options (CDB, Repo, Investment Sweep), intraday, overdraft, e-banking (Connexis) and specialist capabilities in escrow accounts to manage funds related to acquisition and commercial agreements. The combination of solutions and dedicated customer services offer a highly competitive alternative to local banking services for multinational corporations doing business in Brazil, and Brazilian companies seeking expansion overseas.

## Currency

### Currency

Brazilian real (BRL)

### Exchange rates

	2019	2020	2021	2022	2023
Exchange rate: BRL per USD	3.94	5.16	5.40	5.16	4.99

Source: [https://www.b3.com.br/pt\\_br/market-data-e-indices/servicos-de-dados/mar...](https://www.b3.com.br/pt_br/market-data-e-indices/servicos-de-dados/mar...) , November 2024.

### Central Bank

- The Brazilian central bank is the Banco Central do Brasil (BCB - [www.bcb.gov.br](http://www.bcb.gov.br)).

#### Bank supervision

- Brazilian banks are licensed and supervised by the BCB.
- The Securities and Exchange Commission (CCVM - [www.cvm.gov.br](http://www.cvm.gov.br) ) is responsible for regulating the securities market in Brazil.



## Bank accounts

### Resident / non-resident status

- A company is considered resident in Brazil if it is incorporated in Brazil.
- On certain occasions, non-residents may be treated as residents because their branches, local agents or representative offices operate in Brazil.

### Bank accounts for resident entities

	Within BRAZIL	Outside BRAZIL
Local Currency	Permitted without restriction, not freely convertible	
Foreign Currency		

### Bank accounts for non-resident entities

	Within BRAZIL	Outside BRAZIL
Local Currency	Permitted with restriction, convertible	
Foreign Currency	Permitted with restrictions	

### Lifting fees











- [Lifting fees](#) may be applied on payments between resident and non-resident accounts.

## BNP Paribas Cash Management Capabilities

### Collections

Cash collections	
Cheque collections	
Direct debit collections	
Domestic incoming transfers	
Virtual IBAN	
Virtual accounts	
International incoming transfers	
Card acquiring	

## Payments

Cash withdrawals	
Cheque payments	
Direct debit payments	
Domestic outgoing transfers	
Commercial cards	
Virtual cards	
International outgoing transfers	
SWIFT gpi	
Real-time international payments through BNP Paribas' network	
Card issuing	

# Channels

Local e-Banking	✓
Global e-Banking - Connexis	✓
SWIFT/ host to host	✓

## Payments & collections

### Market overview

In Brazil, Pix - Brazil Instant Payment transactions has become the most used payment method for low value retail transactions, followed by credit cards and debit cards. The use of digital wallets, such as PayPal, PicPay and Mercado Pago, gathered with the payments institutions is also rising.

In November 2020, the Banco Central do Brasil launched PIX, an instant payments scheme. The settlement infrastructure, called the Instant Payment System (SPI), is available 24 hours a day, seven days a week, via mobile devices, online banking or ATMs. PIX allows payments to be made via aliases.

Electronic banking services are available from all banks. There is no national electronic banking system in Brazil, so companies use banks' proprietary services.

Transaction and balance reporting, and transaction initiation services are available.

Many companies operating in Brazil exchange data electronically with banking and commercial counterparties via VANS (value-added networks) and EDI protocols.

The number of transactions performed by bank accounts with internet banking access in Brazil increased by 38% to 82.7 billions from Q2 2023 to Q2 2024. 93% of this number is from mobile banking. Mobile banking has become Brazil's preferred channel for banking operations.

### Payment Systems

STR	Type	<ul style="list-style-type: none"> <li>Real-time gross settlement.</li> </ul>
	Participants	<ul style="list-style-type: none"> <li>417.</li> </ul>
	Transaction types processed	<ul style="list-style-type: none"> <li>High-value and urgent BRL-denominated financial and commercial electronic credit transfers (<i>transferências eletrônica disponível</i> - TEDs).</li> </ul>
	Operating hours	<ul style="list-style-type: none"> <li>06:30-18:30 BRT, Monday to Friday.</li> </ul>
	Clearing cycle details (e.g. cut-off times)	<ul style="list-style-type: none"> <li>Payments are settled on a same-day basis.</li> <li>Customer payment cut-off time = 17:30 BRT.</li> <li>Interbank payment cut-off time = 18:30 BRT.</li> </ul>
	System holidays	<ul style="list-style-type: none"> <li>The STR is closed on Brazilian bank holidays.</li> <li>Brazil's bank holidays are:  2025: January 1, february 3 and 4, april 18 and 21, may 1, june 19, september 7, October 12, november 2, 15 and 20, december 25.</li> </ul>
CIP-SITRAF	Type	<ul style="list-style-type: none"> <li><a href="#">Net settlement system.</a></li> </ul>
	Participants	<ul style="list-style-type: none"> <li>102 direct.</li> </ul>
	Transaction types processed	<ul style="list-style-type: none"> <li>High-value BRL-denominated electronic credit transfers (TEDs).</li> </ul>
	Operating hours	<ul style="list-style-type: none"> <li>04:00-17:25 BRT, Monday to Friday.</li> </ul>
	Clearing cycle details (e.g. cut-off times)	<ul style="list-style-type: none"> <li>Payments are settled on a same-day basis.</li> <li>Cut-off time = 17:00 BRT.</li> </ul>
	System holidays	<ul style="list-style-type: none"> <li>CIP-SITRAF is closed on Brazilian bank holidays. (Dates as above).</li> </ul>
<b>CIP-SILOC</b>	Type	<ul style="list-style-type: none"> <li>Deferred net settlement.</li> </ul>
	Participants	<ul style="list-style-type: none"> <li>140 direct.</li> </ul>
	Transaction types processed	<ul style="list-style-type: none"> <li>Collection orders (boleto de pagamento) and operations with credit and debit card.</li> </ul>



	Operating hours	<ul style="list-style-type: none"> <li>• 24 hours a day, Monday to Friday.</li> </ul>
	Clearing cycle details	<ul style="list-style-type: none"> <li>• There are two settlement sessions each business day.</li> <li>• The morning session settles obligations from the previous day and ends at 08:20 BRT. The afternoon session mostly settles return items and ends at 16:10 BRT.</li> </ul>
	System holidays	<ul style="list-style-type: none"> <li>• CIP-SILOC is closed on Brazilian bank holidays.</li> <li>• Brazil's bank holidays are:  2025: January 1, february 3 and 4, april 18 and 21, may 1, june 19, september 7, October 12, november 2, 15 and 20, december 25.</li> </ul>
<b>COMPE</b>	Type	<ul style="list-style-type: none"> <li>• Deferred net settlement.</li> </ul>
	Participants	<ul style="list-style-type: none"> <li>• 100 direct.</li> </ul>
	Transaction types processed	<ul style="list-style-type: none"> <li>• <a href="#">Cheque</a> payments.</li> </ul>
	Operating hours	<ul style="list-style-type: none"> <li>• 24 hours a day, Monday to Friday.</li> </ul>
	Clearing cycle details (e.g. cut-off times)	<ul style="list-style-type: none"> <li>• There is one clearing session per day; at the end of the session, a single net position is calculated for each participant.</li> </ul>
	System holidays	<ul style="list-style-type: none"> <li>• COMPE is closed on Brazilian bank holidays (Dates given above).</li> </ul>

## Credit transfers

- Credit transfers are used by companies to pay salaries and suppliers, and to make benefit payments.
- Credit transfer volume and value increased 48.08% and 9.72%% respectively in 2023, on 2022 figures, to 62.5 billion, with a value of BRL 73.4 trillion.
- Credit transfers (TEDs) can be settled on a same-day basis via the STR or CIP-SITRAF. There is no minimum value threshold for TEDS. There is no value limit for TEDs.
- Boletos are bar-coded bills issued by a seller to a buyer. Boletos with a value below BRL 250,000 can be settled through CIP-SILOC with funds available on a next-day basis. Boletos with a value of BRL 250,000 and above are settled via the STR on a same-day basis.
- In November 2020, Banco Central do Brasil launched PIX, an instant payments scheme. The settlement infrastructure, called the Instant Payment System (SPI), is available 24 hours a day, seven days a week, via mobile devices and online banking. PIX allows payments to be made via aliases.

Transactions are settled on a real-time gross settlement basis. Participation in PIX is mandatory for all financial institutions and payment providers with more than 500,000 active customer accounts. There are currently 837 participants. SPI is operated by the central bank and has a centralized architecture based on the ISO 20022 messages standard.

- Cross-border transfers can be made via SWIFT and settled through correspondent banks abroad.
- Bilateral trade transactions between Argentina and Brazil can be settled in both BRL and Argentine peso (ARS) through the Payment System in Local Currency (SML).

## Direct debits

- Direct debits (*débitos automáticos*) are used for regular payments, such as utility bills.
- Direct debit volume increased 38% in 2023, on 2022 figures, to 11.03 billion. Value decreased 2.32% to BRL 2.7 trillion.

## Cheques

- The cheque is a payment instrument used by both consumers and companies. However, check use is in decline as alternative electronic payment methods become more popular.
- All cheques are truncated and processed as electronic items by COMPE, up to T+2.
- Cheque volume and value declined 20% and 21% respectively in Q1 2024 compared to Q1 2023, to 46.4 million, with a value of BRL 190 billion.

## Card payments

- Card payments are very popular, especially for retail transactions.
- There were 162.521 million debit cards and 206.184 million active credit cards in circulation at the end of 2023.
- Debit card volume increased 4.59% to 16 billion and the value decreased 0.84% to BRL 975 billion in 2023, on 2022 figures.
- Credit card volume and value increased 11% and 13% respectively in 2023, on 2022 figures, to 18 billion, with a value of BRL 2.3 trillion.
- Visa, MasterCard and American Express-branded payment cards are the most widely issued. Contactless payment cards are available.
- The vast majority of Visa and MasterCard payments are processed through acquirers like Cielo, Rede and Getnet.
- The majority of cards issued have EMV chips.
- Mobile-only credit card services are available.

- Contactless payment cards are issued. Transactions using NFC saw exponential growth in 2020. Most contactless transactions occur via credit card.

## ATM/POS

- There was 230,233 ATMs in Brazil at the end of 2022.
- There was 21.3 million POS terminals at the end of 2022.
- More than 100 banks participate in the Banco24Horas shared ATM network operated by TecBan.

## Electronic wallet

- The dominant electronic wallet schemes in Brazil are reloadable pre-paid stored value cards offered by banks.
- Contactless payments, using the NFC (near-field communication), have been an increasing tendency. Credit transactions increased 31.1%, on Q4 2023 figures. The debit function has increased 35.2%, on Q4 2022 figures.
- The use of digital wallets, such as, Apple Pay, Google Wallet, PicPay and Mercado Pago is rising.

### Short term investments

## Market overview

### Interest payable on credit balances

- Interest-bearing current accounts are not permitted.

### Demand deposits

- [Demand deposit](#) accounts do not receive interest payments. Funds can be withdrawn without notice. Cheques and electronic transfers can be used with [demand deposit](#) accounts.

### Time deposits

- Time deposits such as CDB (Certificado de Depósito Bancário) are available in BRL and are generally issued for investments over 30 days due to tax applied up to 30 days.

### Treasury (government) bonds

- The National Treasury auctions discounted Treasury bonds (letras do tesouro nacional - LTNs, letras financeiras do tesouro - LFTs and notas do tesouro nacional - NTN-C) on a daily basis.

### Commercial paper

- Domestic commercial paper is widely issued by companies denominated in BRL.

### Repurchase agreements

- Repurchased agreements (repo's) are available in Brazil.

### Bank guarantee

- Bank guarantees are not used in Brazil.

## BNP Paribas Trade Finance Capabilities

### Trade payments

Documentary credits	✓
Documentary collections	✓

### Guarantees

Bank guarantees	✓
Standby letters of credit	✓

## Supply chain management

Receivables	✓
Payables	✓
Inventory	●

## Trade channels

Connexis Trade	●
Connexis Supply Chain	●
SWIFTNet Trade for Corporates	●
Connexis Connect	●
Connexis Guarantee	●
SWIFTnet Supply Chain	●

BNP Paribas is among the most prominent trade finance and working capital solutions providers to corporates headquartered or doing business in Brazil. With a team of six trade finance managers supported by experienced back officers, the bank offers a comprehensive range of cross-border and domestic trade finance and working capital solutions, including cross-border inventory solutions, domestic payables programmes BRL/USD etc., and local solutions such as pre-export financing options (ACC/ACE and NCE), Agribusiness solutions (Crédito Rural, Funcafé and CPR/CDCA), Crédito Rural and BNDES financing.

International trade

## General trade rules

- As a member of the Mercosur (Mercado Común del Sur – Southern Cone Common Market) regional common market, Brazil applies Mercosur customs policies and regulations.

## Trade agreements

- Mercosur has trade agreements with Bolivia, Chile, Colombia, Cuba, Ecuador, Israel, Mexico and Peru.
- Mercosur has signed a free trade agreement with the European Union. The agreement has not yet been ratified by the EU or by Mercosur member states.
- Brazil and the USA have a protocol relating to trade rules and transparency: the Agreement on Trade and Economic Cooperation (ATEC).
- Brazil operates free trade zones in Manaus, Tabatinga, Macapá/Santana, Guajará-Mirim, Pacaraíma, Bonfim, Cruzeiro do Sul and Brasília/Epitaciolândia.

## Imports / exports

Imports	Crude petroleum	Electrical equipment	Pesticides	Refined petroleum	Automotive parts
Primary Import sources	China (24,12%)	USA (15,41.0%)	Germany (5,24%)	Argentina (5,09%)	Russia (4,24%)
Exports	Wood pulp	Iron ore	Soybeans	Corn	Crude petroleum
Export markets	China (28.63%)	USA (11,71%)	Argentina (4%)	Netherlands (3,47%)	Spain (3%)

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## Import / export volumes

		2018	2019	2020	2021	2022
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Exports	- goods USD m		239,522	225,800	210,707	284,012	340,328
	- services USD m		35,378	34,275	28,471	31,482	40,291
Imports	- goods USD m		196,147	199,253	178,337	247,648	296,175
	- services USD m		71,374	69,765	49,104	58,439	79,909
Current account as % GDP			- 2.5	- 3.4	1.7	-2.8	-2.7

Sources: <https://www.bcb.gov.br/estatisticas/historicosetorexterno>, December 2024.



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