

LAW N° 12.529 OF NOVEMBER 30, 2011

It structures the Brazilian System for Protection of Competition; sets forth preventive measures and sanctions to the violations against the economic order; amends Law No. 8.137, of December 27th, 1990, Decree-Law No. 3.689, of October 3rd, 1941 – Code of Criminal Procedure, and Law No. 7.347, of July 24th, 1985; revokes provisions of Law No.8.884, of June 11th, 1994, and Law No. 9.781, of January 19th, 1999; and sets forth other measures.

The President of Republic: I hereby make known that the NATIONAL CONGRESS decrees and I approve the following Law:

TITLE I

GENERAL PROVISIONS

CHAPTER I

PURPOSE

Art. 1. This Law structures the Brazilian System for Protection of Competition - SBDC and sets forth preventive measures and sanctions to the violations against the economic order, guided by the constitutional principles of free competition, freedom of initiative, social function of property, consumer protection and repression against the abuse of the economic power.

Sole paragraph. Collectivity is the holder of the legal interests protected by this Law.

CHAPTER II

TERRITORIALITY

Art. 2. This Law applies, without prejudice to conventions and treaties of which Brazil is a signatory, to practices performed, in full or in part, on the national territory, or that produce or may produce effects thereon.

§ 1 A foreign company that performs transactions or has its branch, agency, subsidiary, office, establishment, agent or representative in Brazil shall be considered domiciled in national territory.

§ 2 The foreign company shall receive service of process regarding all procedural acts set forth in this Law, regardless of any power-of-attorneys or contractual or statutory provisions, by means of its agent, representative or person responsible for its branch, agency, subsidiary, establishment or office installed in Brazil.

TITLE II

BRAZILIAN SYSTEM FOR PROTECTION OF COMPETITION

CHAPTER I

COMPOSITION

Art. 3. The SBDC is comprised of the Administrative Council for Economic Defense - Cade and the Secretary for Economic Monitoring of the Ministry of Finance, with the attributions set forth in this Law.

CHAPTER II

ADMINISTRATIVE COUNCIL OF ECONOMIC DEFENSE – CADE

Art. 4. Cade is an adjudicatory body having jurisdiction throughout the national territory, which is constituted under federal autarchy, associated to the Ministry of Justice, with head offices and jurisdiction in the Federal District, and the competences set forth in this law.

Section I

Organizational Structure of Cade

Art. 5. Cade is comprised by the following bodies:

I – Administrative Court of Economic Defense;

II – General Superintendence; and

III – Department of Economic Studies.

Section II

Administrative Court of Economic Defense

Art. 6. The Administrative Court, adjudicatory body, is comprised of a President and six Commissioners chosen among citizens over thirty (30) years old, with a notorious legal knowledge and unblemished reputation, appointed by the President of the Republic, after being approved by the Federal Senate.

§ 1 The term of office of the President and Commissioners is of four (04) years, not coincident, being prohibited reappointments of office.

§ 2 The offices of President and Commissioner demand exclusive dedication, and no accumulation is admitted, except for the ones constitutionally permitted.

§ 3 In case of waiver, death, impeachment, absence or loss of the President's term of office, the oldest Commissioner in office or eldest Advisor, in this order, shall take over, until the new appointment, without prejudice to his attributions.

§ 4 In case of waiver, death or loss of the Advisor's term of office, a new person shall be appointed to complete the substituted advisor's term of office.

§ 5 If, in the cases provided for in § 4 of this article, or upon conclusion of the Commissioners' term of office, the number of members comprising this Court is reduced to less than what is established in § 1 of Art. 9 of this Law, the deadlines set forth in this law shall be automatically suspended, as well as the processing of cases, whose counting shall be immediately restarted upon reestablishment of the *quorum*.

Art. 7. The removal of office of the President or Commissioners may only occur by means of a decision by the Federal Senate, provoked by the President of Republic, or in view of unappealable criminal conviction for intentional crimes, or

disciplinary proceeding as determined by Law No. 8.112, of December 11th, 1990 and Law No. 8.429, of June 2nd, 1992, and due to violation of any prohibitions set forth in Art. 8 of this Law.

Sole paragraph. The Court member who does not appear in three (03) consecutive ordinary meetings, or twenty (20) interspersed meetings, except for temporary dismissals authorized by the Plenary, shall also automatically be removed from office.

Art. 8. The President and the Commissioner are prohibited from:

I – receiving, at any title, and under any pretext, fees, percentages or costs;

II – exercising a liberal profession;

III – holding interest, as a controller, director, administrator, manager, representative or agent, in partnerships, corporations or companies of any kind;

IV - issuing an opinion on the subject in which they are experts, even if in theory, or act as a consultant in any type of company;

V - manifesting, by any means of communication, an opinion on cases pending trial, or depreciative opinion on orders, votes or sentences passed by judicial bodies, except for the criticism in the records, technical literature or in the practice of teaching; and

VI – exercising political party activities.

§ 1 It is forbidden to the President and Commissioners, for a period of one hundred and twenty (120) days from the date they leave office, to represent any natural person or legal entity, or interest before the SBDC, except for the defense of their own rights.

§ 2 During the period mentioned in § 1 of this article, the President and the Commissioners will receive the same remuneration for the position they occupied.

§ 3 The former President or former Commissioner who violates the impeachment referred to in § 1 of this article is liable to the crime against the public administration, subject to the penalty provided for in Article 321 of Decree-Law No.2848, of December 7th, 1940 - Penal Code.

§ 4 It is prohibited, at any time, to the President and Commissioners to use privileged information obtained as a result of the position held.

Subsection I

Competence of the Plenary of the Court

Art. 9. The Plenary shall, among the other attributions set forth by this Law:

I – ensure the observance of this Law, its regulations and internal regulations;

II – decide on the existence of violations to the economic order and apply the penalties set forth by law;

III – render decisions in relation to the administrative proceedings filed by the General Superintendence for the application of administrative penalties against violations to the economic order;

IV - take the necessary steps to cease the violations to the economic order, within the deadline it may determine;

V - to approve the terms of the cease-and-desist commitment and agreements for concentration control, as well as determine that the General Superintendence inspect

compliance therewith;

VI - to consider, on appeal, the preventive measures adopted by the Reporting Commissioner or by the General Superintendence;

VII - summon the parties interested in its decisions;

VIII – demand from the federal public administration bodies and entities and require to the State, Municipal Federal District and Territorial authorities the necessary measures to comply with this Law;

IX – contract the performance of tests, inspections and studies, approving, in each case, their respective professional fees and other procedural costs, which shall be paid by the company, in case it is punished in accordance with this Law;

X – appreciate administrative proceedings regarding acts of economic concentration, as set forth by law, establishing, when deemed convenient and appropriate, economic concentration control agreements;

XI - determine that the General Superintendence take the necessary administrative measures for the implementation and faithful fulfillment of its decisions;

XII - request personnel and services from any bodies or entities of the Public Federal Authority;

XIII - request to the Attorney General's Office associated to Cade, that administrative and judicial measures be adopted;

XIV – inform the public on the forms of economic order violation;

XV - prepare and approve Cade's internal regulations, providing for its operation, form of the resolutions, rules of procedure and organization of its internal services;

XVI - propose the structure of Cade's staff, as set forth in item II of the *caput* of Article 37 of the Federal Constitution;

XVII – draft the budgetary proposals pursuant to this Law;

XVIII - request information from individuals, agencies, authorities and entities, whether public or private, respecting and maintaining the confidentiality, as the case may be, as well as determining the steps that are necessary to the exercise of its functions; and

XIX - decide on the compliance of decisions, commitments and agreements.

§ 1 The Court's decisions shall be taken by a majority, with the presence of at least four (4) members, provided that the minimum quorum to make decisions shall be of three (3) members.

§ 2 The Court's decisions shall not be reviewed by the Executive, and shall be immediately executed, and subsequently informing the Public Prosecutor, so that the other appropriate legal measures within the scope of its attributions are taken.

§ 3 The federal authorities, directors of autarchies, foundations, federal public companies and mixed capital companies and regulatory agencies are required to provide, subject to liability, all assistance and cooperation required by Cade, including developing technical opinions on matters within its competence

§ 4 The Court may answer queries about ongoing practices, upon the payment of a fee and together with the respective documents.

§ 5 Cade shall define, by resolution, the complementary rules on the query procedure

set forth in § 4 of this article.

Subsection II

Competence of the President of the Court

Art. 10. The President of the Court shall:

I - legally represent Cade in Brazil or abroad, in and out of court;

II – preside, with right to vote, including the casting vote, the meetings held by the Plenary;

III – distribute, randomly, the cases to the Commissioners;

IV - call meetings and organize the corresponding agenda;

V - request, at his discretion, that the General Superintendence assist the Court in taking extrajudicial measures to comply with the Court's decisions;

VI - inspect the General Superintendence in the taking of measures for the execution of the decisions and sentences rendered by the Court;

VII - sign commitments and agreements approved by the Plenary;

VIII – submit the budget proposal and the ideal number of people who shall provide services to Cade to the Plenary for approval;

IX - guide, coordinate and inspect the administrative activities performed by Cade;

X – order the expenses related to Cade, except for the expenses of the General Superintendence's management unit;

XI – enter into contracts and agreements with national bodies or entities and submit, previously, to the Minister of State for Justice, the ones that shall be entered into with foreign or international bodies; and

XII – determine to the Attorney General's Office associated to Cade the legal measures determined by the Court.

Subsection III

Competence of the Commissioners of the Court

Art. 11. The Commissioners of the Court shall:

I – vote on the cases and matters submitted to the Court;

II – deliver orders and draw up decisions related to the cases to be reported by them;

III – request information and documents from any person, body, authority and entity, whether public or private, to be maintained under legal secrecy, as the case may be, as well as determine the investigations deemed necessary;

IV – adopt preventive measures, establishing the value of the daily fine for the non-compliance therewith;

V – request, at its criteria, that the General Superintendence carry out investigations and produce evidence relevant to the administrative proceeding, under this Law;

VI – require that the Attorney General's Office, acting together with Cade, issue a legal opinion on the cases in which they are reporters, when deemed necessary and upon a reasoned order, as set forth in item VII of Art. 15 of this Law;

VII – determine that the Chief Economist, whenever necessary, prepare opinions on the cases to be reported in which they are reporters, without prejudice to the regular processing of the case and without implying in the suspension of the term for analysis or prejudice to the regular processing of the case;

VIII – be discharged from the other duties assigned to them under the regulation;

IX – submit cease-and-desist commitment and agreements for the approval of the Court;

X – provide the Judiciary, whenever required, with all information on the progress of the cases, also providing copies of the records to instruct legal proceedings.

Section III

General Superintendence

Art. 12. Cade shall be comprised by a General Superintendence, with one (1) General Superintendent and two (2) Deputy Superintendants, whose specific attributions shall be defined by Resolution.

§ 1 The General Superintendent shall be chosen among citizens over thirty (30) years old, with notorious judicial or economic knowledge and unblemished reputation, appointed by the President of Republic, after being approved by the Federal Senate.

§ 2 The General Superintendent shall hold office for two (2) years, and reappointment for a single subsequent period is allowed.

§ 3 The same rules of impeachment, loss of office, substitution and prohibitions set forth in Art. 8 of this Law shall be applicable to the General Superintendent, including the provisions contained in § 2 of Art. 8 of this Law, applicable to the President and to the Commissioners of the Court.

§ 4 The position of General Superintendent and Deputy Superintendent require exclusive dedication, and no accumulation is admitted, except for the ones constitutionally permitted.

§ 5 During the vacancy period before the appointment of a new General Superintendent, one of the deputy superintendents appointed by the President of the Court shall temporarily take over, who shall hold office until a new General Superintendent, chosen in accordance with § 1 of this article, is vested in the office.

§ 6 If, upon vacancy set forth in § 5 of this article, there is no Deputy Superintendent appointed in the Superintendence of Cade, the President of the Court shall appoint and officer in exercise at Cade, with judicial or economic knowledge in competition defense and unblemished reputation, to temporarily assume the vacant position, remaining in office until a new General Superintendent, chosen in accordance with § 1 of this article, is vested in the office.

§ 7 The Deputy Superintendents shall be appointed by the General Superintendent.

Art. 13. The General Superintendence shall:

I – ensure compliance with this Law, monitoring and following up the market practices;

II – monitor, permanently, the business activities and practices of natural persons and legal entities holding a dominant position in the relevant market of goods or services, in order to prevent violation of the economic order, being able to request, for such purposes,

the information and documents necessary, maintaining the legal secrecy, as the case may be;

III - promote, in light of indications of violations of the economic order, preparatory procedures of administrative investigations for the determination of violations of the economic order;

IV – decide on the lack of grounds for the indications, dismissing the records of the administrative investigation or of its preparatory procedure;

V – file and instruct administrative proceeding for the imposition of administrative sanctions due to violations to the economic order, procedure to verify cases of concentration, administrative proceeding to analyze cases of economic concentration and administrative proceeding to impose incidental procedural sanctions filed for the prevention, verification or repression of violations to the economic order;

VI – in order to instruct the procedural types mentioned in this Law:

a) request information and documents from any natural person or legal entity, bodies, authorities and entities, whether public or private, maintaining the legal secrecy, as the case may be, as well as to determine the investigations deemed necessary to the exercise of its functions;

b) request oral explanations from any natural person or legal entity, body, authority and entity, whether private or public, under this Law;

c) conduct inspection of the head offices, establishment, office, branch or subsidiary of the investigated company, of the inventories, objects, papers of any nature, as well as commercial books, computers and electronic files, being able to make or require copies of any documents or electronic data;

d) request to the Judiciary, by means of the Attorney-General's Office associated to Cade, search and seizure warrant of objects, papers of any kind, as well as business books, computers and magnetic files of a company or natural person, in the interest of administrative investigation or administrative proceeding to impose administrative sanctions for violations to the economic order, applying, where applicable, the provisions of Article 839 and following ones of Law No. 5869 of January 11th, 1973 - Code of Civil Procedure, being unenforceable the bringing of the main action;

e) request examination and copy of documents and objects contained in investigations and administrative proceedings opened by Federal agencies or entities;

f) require examination and copy of police investigations, lawsuits of any kind, as well as administrative investigations and proceedings established by other federal entities, provided that the Council must observe the same confidentiality restrictions occasionally established in the original procedures;

VII - appeal ex officio to the Court upon dismissal of the administrative proceeding in order to impose administrative sanctions for violations of the economic order;

VIII - submit to the Court, for trial, the administrative proceedings established by it, upon verification of violations of the economic order;

IX - propose terms of cease-and-desist commitment due to violations to the economic order, submitting it to the approval of the Court, and inspect the compliance therewith;

X - suggest to the Court conditions for the execution of an agreement for concentration control and monitor compliance therewith;

XI - adopt preventive measures to cease the practice that constitutes violation to the economic order, establishing a deadline for compliance and a daily fine to be applied in case of non-compliance;

XII - receive, instruct and approve or contest, before the Court, the administrative proceedings for analysis of act of economic concentration;

XIII - guide the public administrative entities and bodies about the adoption of the necessary measures for the fulfillment of this Law;

XIV – develop studies and researches in order to guide the policy for the prevention of violations to the economic order;

XV - instruct the public about the several forms of violation to the economic order and ways to prevent and repress it;

XVI - exercise other attributions set forth by law

XVII - provide the Judiciary, upon request, with all information on the progress of investigations, being also allowed to provide copies of the records to instruct lawsuits, and

XVIII - take the necessary administrative measures for the implementation and enforcement of the decisions rendered by the Plenary.

Art. 14. The duties of the General Superintendent are the following:

I – to participate, whenever deemed necessary, without any right to vote, in meetings held by the Court and present verbal support, in accordance with the internal regulations;

II - to respect and enforce the decisions of the Court as determined by its President;

III – to require from the Attorney General’s Office associated to Cade the judicial measures related to the exercise of the General Superintendence’s judicial powers;

IV – determine that the Chief Economist prepare studies and opinions;

V – to order expenses related to the General Superintendence’s management unit, and

VI – exercise other attributions set forth by law.

Section IV

Attorney General’s Office associated to Cade

Art. 15. A Specialized Attorney General’s Office shall be associated to Cade, which shall be responsible for:

I - providing legal consultancy and assistance to Cade;

II - representing Cade in and out of court;

III- promoting the judicial enforcement of Cade’s decisions and sentences;

IV - determination of the credit liquidity of Cade, registering them under outstanding debt for the purpose of judicial or administrative collection;

V - the adoption of judicial measures requested by the Court or by the General Superintendence, necessary to cease violations of the economic order or to obtain documents for the finding of facts of administrative proceedings of any nature;

VI - promoting judicial settlements in cases related to violations against the economic order, upon the Court’s authorization;

VII - issuing, whenever expressly required by an Commissioner or by the General

Superintendent, an opinion related to the proceedings under Cade's competence, without implying in the suspension of the deadline for analysis or prejudice to the regular processing of such proceeding;

VIII - ensure compliance with this Law, and

IX – be released from the other tasks attributed to it by the internal regulations.

Sole paragraph. The General Attorney's Office associated to Cade shall, upon judicial enforcement of the decisions rendered by the General Superintendence and the Court, keep the President of the Court, the Commissioners and General Superintendent informed about the progress of the judicial measures and actions.

Art. 16. – The Chief Prosecutor shall be appointed by the President of the Republic, after approval by the Federal Senate, among Brazilian citizens over 30 (thirty) years old, of notorious legal knowledge and unblemished reputation.

§ 1 The Chief Prosecutor shall hold office for two (2) years, and reappointment shall be permitted for a single period.

§ 2 The Chief Prosecutor may participate, without right to vote, in meetings held by the Court, providing assistance and clarification, as required by the Commissioners, pursuant to the Court's Internal Regulations.

§ 3 The same impeachment rules applicable to the Commissioners of the Court shall be applicable to the Chief Prosecutor, except for attendance at the meetings.

§ 4 In case of absences, leave of absence or impeachment of the Chief Prosecutor, the Plenary shall indicate and the President of the Court shall appoint the eventual substitute among the members of the Specialized Attorney General's Office.

Section V

Department of Economic Studies

Article 17. Cade has a Department of Economic Studies, headed by a Chief Economist, which is responsible for the preparation of economic studies and opinions, ex officio or at the request of the Plenary, the President, the Reporting Commissioner or the General Superintendent, ensuring the accuracy and technical and scientific update of the decisions made by the body.

Article 18. – The Chief Economist will be appointed jointly by the General Superintendent and the President of the Court, among Brazilians of unblemished reputation and outstanding knowledge in economy.

§ 1 The Chief Economist may participate in meetings of the Court, without voting rights.

§ 2 The same impeachment rules applicable to Court Commissioners shall be applicable to the Chief Economist, except for attendance at the meetings.

CHAPTER III

SECRETARY FOR ECONOMIC MONITORING

Article 19. The Secretary for Economic Monitoring shall promote competition in government agencies and before the society, being particularly responsible for the following:

I - to opine on aspects relating to the promotion of competition, the proposed changes

in normative acts of general interest of the economic agents, consumers or users of services subject to public consultation by the regulatory agencies and, when deemed appropriate, on applications for review of rates and drafts;

II - to opine, when deemed appropriate, on drafts of normative acts prepared by any public or private entity subject to public consultation in matters related to the promotion of competition;

III – to opine, when it deems appropriate, on normative proposals pending in Congress, in aspects related to the promotion of competition;

IV – to develop studies evaluating the competitive situation of specific sectors of the national economic activity, ex officio or upon request by Cade by the Board of Foreign Trade or the Department of Consumer Protection and the Ministry of Justice or body that may replace it;

V – to prepare industry studies that serve as input for the participation of the Ministry of Finance in the creation of sectoral public policies in the forums in which this Ministry has a seat;

VI - to propose the review of laws, regulations and other normative acts of the Federal, state, municipal and Federal District public administration, which affect or may affect competition in the various economic sectors in the country;

VII – to manifest, ex officio or upon request, about the competitive impact of the measures under discussion in trade areas in relation to tariff amendment, market access and trade protection, except for the powers of the agencies involved;

VIII - to submit to the competent body representation so that it can, at its discretion, take the appropriate legal measures, whenever any normative act has an anticompetitive character.

§ 1 In order to comply with its attributions, the Secretary for Economic Monitoring can:

I - request information and documents from any individuals, agencies, authorities and entities, public or private, maintaining legal secrecy as the case may be;

II - enter into agreements and contracts with federal, state, municipal, Federal District and Territorial bodies or entities, whether public or private, to assess and/or suggest measures related to the promotion of competition.

§ 2 The Secretary for Economic Monitoring shall annually disclose a report of the measures adopted by it for the promotion of competition.

TITLE III

FEDERAL PROSECUTION

Art. 20. The Attorney General, after consultation with the Higher Board, shall appoint a member of the Federal Prosecution so that it can, in such capacity, issue opinions on the administrative proceedings in order to impose administrative sanctions for violations to the economic order, ex officio or upon request of the Reporting Advisor.

TITLE IV

EQUITY, REVENUE AND ADMINISTRATIVE, FINANCIAL AND BUDGETARY MANAGEMENT

Art. 21. The President of the Court shall guide, coordinate and supervise the

administrative activities of Cade, subject to the duties of the officers of other bodies forest forth in Article 5 of this Law.

§ 1 The General Superintendence will be the managing unit, for administrative and financial purposes, and its General Superintendent shall order the expenses related to the respective budgetary actions.

§ 2 For administrative and financial purposes, the Department of Economic Studies will be associated with the Court.

Art. 22. Annually, the President of the Court, after hearing the General Superintendent, shall submit Cade's budget proposal and the ideal number of people that shall provide services to such autarchy to the Executive.

Art. 23. The procedural fees shall apply to the cases under Cade's competence, which shall be equivalent to forty-five thousand reais (R\$ 45,000.00), having as triggering event the presentation of the acts set forth in Article 88 of this Law and equivalent to fifteen thousand reais (R\$ 15,000.00) for cases having as triggering event the submission of the inquires set forth in § 4 of Article 9 of this Law.

Sole paragraph. The procedural fee referred to in the *caput* of this article may be updated by an act of the Executive, after authorization of the National Congress.

Art. 24. Any applicant shall have to pay the procedural fee having as triggering event the presentation of the acts referred to in Article 88 of this Law.

Art. 25. The payment of the procedural fee having as triggering event the presentation of the acts set forth in Article 88 of this Law shall be verified upon the filing of the act.

§ 1 The procedural fee not collected at the time established in the *caput* hereof shall be charged with the following increases:

I – arrears interest, counted as of the month following maturity, at the rate of 1% (one percent), calculated in accordance with the law applicable to federal taxes;

II - late-payment penalty of 20% (twenty percent).

§ 2 The arrears interest do not affect the value of the late payment penalty.

Art. 26. Vetoes.

Art. 27. The fees referred to in arts. 23 and 26 of this Law shall be collected to the National Treasury as regulated by the Executive.

Art. 28. Cade's own revenues are comprised of:

I – the product resulting from the collection of fees provided for in arts. 23 and 26 of this Law;

II - the retribution for any kind of services rendered to third parties;

III - the donations consigned in the General Federal Government Budget, special credits, additional credits, transferences and disbursements granted to it;

IV - the proceeds from agreements or contracts with national and international entities or organizations;

V - donations, legacies, grants and other resources assigned to it;

VI - the values arising from the sale or rental of real estate and personal property owned by it;

VII - the proceeds from the sale of publications, technical material, data and information;

VIII - the values arising from applications in the financial market of the revenues established under this article, as defined by the Executive, and

IX - any other income, related to its activities, not specified in items I to VIII of the caput of this article.

§ 1 Vetoed.

§ 2 Vetoed.

§ 3 The product of the collection of fines imposed by Cade, included or not under outstanding debt, will be allocated to the Fund for the Defense of Diffuse Rights mentioned in Article 13 of Law No. 7347, of July 24th, 1985, and Law No. 9008, of March 21st, 1995.

§ 4 The fines collected in accordance with this Law will be collected to the National Treasury as regulated by the Executive.

Art. 29. Cade shall annually submit to the Ministry of Justice its budget proposal, which will be forwarded to the Ministry of Planning, Budget and Management to be included in the annual budget law, to which § 5 of Article 165 of the Federal Constitution refers.

§ 1 Cade shall monitor the budget proposals for multiyear planning chart showing the revenue and expenditure in order to reach a budgetary and financial balance, in relation to the following five (5) fiscal years.

§ 2 The annual budget law shall consign the provisions for Cade's operating expenses and capital, in relation to the fiscal year to which it refers.

Art. 30. The properties and rights belonging to the Ministry of Justice currently related to the activities of the Department of Economic Protection and Defense of the Secretariat of Economic Law shall be added to Cade's current assets.

TITLE V

VIOLATIONS OF THE ECONOMIC ORDER

CHAPTER I

GENERAL PROVISIONS

Art. 31. This Law applies to individuals or legal entities of public or private law, as well as to any associations of entities or individuals, whether de facto or de jure, even temporarily, incorporated or unincorporated, even if engaged in business under the legal monopoly system.

Art. 32. The various forms of economic order violation imply in the company's liability and the individual liability of each of its directors or officers, jointly.

Art. 33. The companies or entities part of the economic group, de facto or de jure, shall be jointly liable when at least one of them practices violation to the economic order.

Art. 34. The company responsible for violation of the economic order may have its corporate veil pierced, upon abuse of rights, abuse of power, violation of law, illegal act or fact, or violation of the bylaws or articles of association.

Sole paragraph. The corporate veil may also be pierced in case of bankruptcy, insolvency, closure or downtime caused by poor corporate administration.

Art. 35. The repression to violations of the economic order does not preclude the punishment of other illegal acts set forth by law.

CHAPTER II VIOLATIONS

Art. 36. The acts under any circumstance, which have as object or may have the following effects shall be considered violations to the economic order, regardless of fault, even if not achieved:

- I - to limit, restrain or in any way injure free competition or free initiative;
- II - to control the relevant market of goods or services;
- III – to arbitrarily increase profits, and
- IV - to abusively exercise a dominant position.

§ 1 The conquest of the market resulting from the natural process of the most efficient economic agent in relation to its competitors does not characterize the tort set forth in item II of the *caput* of this article.

§ 2 A dominance position is assumed when a company or group of companies is able to unilaterally or jointly change market conditions or when it controls 20% (twenty percent) or more of the relevant market, provided that such percentage may be modified by Cade for specific sectors of the economy.

§ 3 The following acts, among others, to the extent in which they configure the hypothesis set forth in the *caput* of this article and items thereof, shall characterize violation of the economic order:

- I – to agree, join, manipulate or adjust with competitors, in any way:
 - a) the prices of goods or services individually offered;
 - b) the production or sale of a restricted or limited amount of goods or the provision of a limited or restricted number, volume or frequency of services;
 - c) the division of parts or segments of a potential or current market of goods or services by means of, among others, the distribution of customers, suppliers, regions or time periods;
 - d) prices, conditions, privileges or refusal to participate in public bidding;
- II - to promote, obtain or influence the adoption of uniform or agreed business practices among competitors;
- III - to limit or prevent the access of new companies to the market;
- IV – to create difficulties for the establishment, operation or development of a competitor company or supplier, acquirer or financier of goods or services;
- V – to prevent the access of competitors to sources of input, raw material, equipment or technology, and distribution channels;
- VI - to require or grant exclusivity for the dissemination of advertisement in mass media;
- VII – to use deceitful means to cause oscillation of the prices practiced by third parties;
- VIII - to regulate markets of goods or services by establishing agreements to limit or

control the research and technological development, the production of goods or services, or to impair investments for the production of goods or services or their distribution;

IX - to impose, on the trade of goods or services, to distributors, retailers and representatives, resale prices, discounts, payment terms, minimum or maximum quantities, profit margin or any other market conditions related to their business with third parties;

X - to discriminate against purchasers or suppliers of goods or services by establishing price differentials, or operating conditions of sale or provision of services;

XI - to refuse the sale of goods or provision of services, within regular payment conditions to the business practices and customs;

XII - to hinder or disrupt the continuity or development of business relationships of undetermined term, because the other party refuses to abide by unjustifiable or anticompetitive terms and conditions;

XIII - to destroy, render useless or monopolize the raw materials, intermediate or finished products, as well as to destroy, disable or impair the operation of equipment to produce, distribute or transport them;

XIV - to monopolize or prevent the exploitation of industrial or intellectual property rights or technology;

XV - to sell goods or services unreasonably below the cost price;

XVI - to retain production or consumption goods, except for ensuring recovery of production costs;

XVII - to partially or totally cease the activities of the company without proven just cause;

XVIII - to condition the sale of goods to the acquisition of another or use of a service, or to condition the provision of a service to another or to the acquisition of goods, and

XIX - to abusively exercise or exploit intellectual or industrial property rights, technology or trademark.

CHAPTER III

PENALTIES

Art. 37. The practice of violation of the economic order subjects the ones responsible to the following penalties:

I - in the case of company, a fine of one tenth percent (0.1%) to twenty percent (20%) over the gross sales of the company, group or conglomerate, in the last fiscal year before the establishment of the administrative proceeding, in the field of the business activity in which the violation occurred, which will never be less than the advantage obtained, when possible the estimation thereof;

II - in the case of other natural persons or public or private legal entities, as well as any association of persons or de facto or de jure legal entities, even if temporarily, incorporated or unincorporated, which do not perform business activity, not being possible to use the gross sales criteria, the fine will be between fifty thousand reais (R\$ 50,000.00) to two billion reais (R\$ 2,000,000,000.00);

III - if the administrator is directly or indirectly responsible for the violation, when negligence or willful misconduct is proven, a fine of one percent (1%) to twenty percent (20%) of that applied to the company, in the case set forth in Item I of the *caput* of this

article, or to legal entities, in the cases set forth in item II of the *caput* of this article.

§ 1 In case of recurrence, the fines shall be doubled.

§ 2 In the calculation of the value of the fine referred to in item I of the *caput* of this article, Cade may consider the total turnover of the company or group of companies, when the value of sales in the field of business activity in which the violation occurred is not available, defined by Cade, or when it is incompletely presented and/or not unequivocally and credibly demonstrated.

Art. 38. Without prejudice to the penalties set forth in Article 37 of this Law, when so required according to the seriousness of the facts or public interest, the following penalties may be imposed, whether individually or cumulatively:

I - the publication, in half a page and at the expenses of the perpetrator, in a newspaper stated in the conviction, the extract from final conviction for two (2) consecutive days, of one (1) to three (3) consecutive weeks;

II - ineligibility for official financing and for participation in biddings whose object is acquisitions, divestitures, performance of works and services, provision of public services, in the federal, state, municipal and Federal District public administration, as well as in indirect administration entities, for a term of not less than 5 (five) years;

III - the registration of the wrongdoer with the National Registry for Consumer Protection;

IV - recommendation to the competent public agencies so that:

a) a compulsory license over the intellectual property rights held by the wrongdoer be granted, when the violation is related to the use of that right;

b) the violator be denied installment payment of federal taxes owed by him or to be canceled, in full or in part, tax incentives or public subsidies;

V - the spinoff of the company, transfer of corporate control, sale of assets or partial interruption of activity;

VI - the prohibition of carrying on trade on its own behalf or as representative of a legal entity for a period of five (5) years, and

VII - any other act or measure required to eliminate the harmful effects to the economic order.

Art. 39. If any acts or situations that represent violation of the economic order continue to be practiced, after the Court has determined its termination, and if the obligations imposed are not complied with, or if the preventive measures or commitment to cease such acts provided for in this Law are not complied with, the person responsible shall be subject to a daily fine set at five thousand reais (R\$ 5,000.00), which can be increased by up to fifty (50) times, if so recommended according to the economic status of the transgressor and the severity of the infraction.

Art. 40. The refusal, failure or unwarranted delay of information or documents requested by Cade or the Secretary for Economic Monitoring constitutes a violation punishable by daily fines of five thousand reais (R\$ 5,000.00), which can be increased by up to twenty (20) times, if necessary, to ensure its effectiveness thereof, due to the economic situation of the transgressor.

§ 1 The amount fixed for the daily fine referred to in the *caput* of this article shall appear in the document containing the request of the competent authority.

§ 2 The requesting authority shall be responsible for the application of the fine set forth in the *caput* of this article.

§ 3 In the case of foreign company, its subsidiary, branch, affiliated company or office located in Country shall be jointly liable for the payment of the fine referred to in the *caput* of this article.

Art. 41. Unjustified absence of the defendant or third parties, when subpoenaed to provide clarification, in the course of investigation or administrative proceeding, shall subject it to the fine of five hundred reais (R\$ 500.00) to fifteen thousand reais (R\$ 15,000.00) for each absence, applied according to the defendant's economic situation.

Sole paragraph. The fine referred to in the *caput* of this Article shall apply upon notice of violation by the competent authority.

Art. 42. Prevent, obstruct or otherwise hinder the performance of inspection authorized by the Plenary of the Court, by the Reporting Commissioner or by the General Superintendence during the preparatory proceeding, administrative investigation, administrative proceeding or any other proceeding, shall subject the inspected party to a fine of twenty thousand reais (R\$ 20,000.00) to four hundred thousand reais (R\$ 400,000.00), according to the economic status of the transgressor, upon the issuance of the notice of violation by the competent body.

Art. 43. The deceitfulness or falsity of information, documents or statements made by any person to Cade or to the Secretary for Economic Monitoring shall be punishable with a fine of five thousand reais (R\$ 5,000.00) to five million reais (R\$ 5,000,000.00), according to the seriousness of the facts and the economic status of the transgressor, without prejudice to other applicable legal sanctions.

Art. 44. The one who provide services to Cade or Seae, in any way, and that gives cause, even if recklessly, to the improper dissemination of information about the company, protected by confidentiality, shall be punishable with a fine of one thousand reais (R\$ 1,000.00) to twenty thousand reais (R\$ 20,000.00), without prejudice to the opening of other applicable procedures.

§ 1 If the author of the improper dissemination serves Cade due to an office, or as a Federal Prosecutor or Chief Economist, the fine shall be doubled.

§ 2 The Regulation defines the procedure for the information to be regarded as confidential under the Cade and Seae.

Art. 45. In the application of the penalties set forth in this Law, the following shall be taken into consideration:

I - the seriousness of the violation;

II - the good faith of the transgressor;

III - the advantage obtained or envisaged by the violator;

IV – whether the violation was consummated or not;

V - The degree of injury or threatened injury, to the free competition, the national economy, the consumers, or third parties

VI - the negative economic effects produced in the market

VII - the economic status of the transgressor, and

VIII – the recurrence.

**CHAPTER IV
STATUTE OF LIMITATIONS**

Art. 46. The punitive actions of the Federal Government are limited to 5 (five) years, directly and indirectly, in order to establish violations to the economic order, as of the date the illegal act is committed or, in the case of permanent or continuing violation, as of the day such unlawful practice has ceased.

§ 1 Any administrative or judicial act whose purpose is to determine the violation against the economic order mentioned in the *caput* of this article shall interrupt the limitation period, as well as notice or subpoena served to the investigated person.

§ 2 The limitation period is suspended during the effective term of the cease-and-desist commitment or agreement on antitrust control.

§ 3 Statute of limitations shall be applicable to the administrative procedure paralyzed for more than three (3) years, pending trial or order, whose record shall be filed ex officio or upon request of the interested party, without prejudice to the determination of functional responsibility resulting from the interruption, as the case may be.

§ 4 When the fact object of the punitive action also constitutes a crime, the prescription shall be governed by the term set forth in the criminal law.

**CHAPTER V
RIGHT OF ACTION**

Art. 47. The aggrieved parties, by themselves or by someone legally entitled referred to in Article 82 of Law No. 8078, of September 11th, 1990, may take legal action in defense of their individual interests or individual homogeneous interests, so that the practices constituting violations to the economic order cease, and compensation for the losses and damages suffered be received, regardless of the investigation or administrative proceeding, which will not be suspended due to court action.

**TITLE VI
DIFFERENT TYPES OF ADMINISTRATIVE PROCEEDINGS**

**CHAPTER I
GENERAL PROVISIONS**

Art. 48. This Law regulates the following administrative proceedings established to prevent, investigate and suppress violations to the economic order:

I - preparatory procedure for an administrative investigation to investigate violations to the economic order;

II - administrative investigation to investigate violations to the economic order;

III - administrative proceeding to impose administrative sanctions for violations to the economic order;

IV - administrative proceeding for the analysis of act of economic concentration;

V - administrative procedure to investigate act of economic concentration, and

VI - administrative proceeding to impose incidental procedural sanctions.

Art. 49. The Court and the General Superintendence shall ensure, in regard to the procedures provided in items II, III, IV and VI of Article 48 of this Law, the confidential treatment of documents, information and procedural steps necessary for the elucidation of

the facts or required according to the company's interests.

Sole paragraph. The parties may request confidential treatment of documents or information, in a time and manner defined in the internal regulations.

Art. 50. The General Superintendence or Reporting Commissioner may admit the intervention in the administrative proceeding of:

I – third parties who are holders of rights or interests which may be affected by the decision to be adopted; or

II - legitimized to bring civil action under items III and IV of Article 82 of Law No. 8078, of September 11th, 1990.

Art. 51. In the processing of proceedings before the Cade, the following provisions shall be observed, other than those set forth in the internal regulations:

I - the concentration acts shall have priority over the judgment of other matters;

II - the trial session of the Court is public, except in cases in which confidential treatment is given to the case, in which case sessions will be reserved;

III - in the trial sessions of the Court, the General Superintendent, Chief Economist, the Chief Prosecutor and parties to the case may require the use of the word, which shall be granted to them, in that order, and under the conditions and terms defined by the internal regulations, in order to verbally support their reasons before the Court;

IV - the agenda of the trial sessions will be set by the President, which will determine its publication, at least 120 (one hundred twenty) hours in advance, and

V - the actions and terms to be practiced in the records of the proceedings listed in Article 48 of this Law may be submitted electronically or submitted on magnetic media or equivalent in accordance with the rules of Cade.

Art. 52. Compliance with the decisions of the Court and commitments and agreements made under this Law may, at the discretion of the Court, be supervised by the General Superintendent, by means of submitting the records thereto, after the Court's final decision.

§ 1 In the monitoring phase of the implementation of decisions of the Court, as well as the fulfillment of commitments and agreements celebrated under this Law, the General Superintendence may avail himself of all investigation powers attributed to it under this Law.

§ 2 Upon full compliance with the Court's decision or agreements on concentration control and cease-and-desist commitments, the General Superintendence, ex officio or upon request of the Interested Party, shall manifest itself on the compliance therewith.

CHAPTER II

ADMINISTRATIVE PROCEEDING IN THE CONTROL OF ACTS OF ECONOMIC CONCENTRATION

Section I

Administrative Proceeding in the General Superintendence

Art. 53. The request for approval of the acts of economic concentration referred to in Art. 88 of this Law must be addressed to Cade and must contain the information and documents indispensable to the filing of the administrative proceeding, defined in the resolution passed by Cade, in addition to the receipt of payment of the respective fee.

§ 1 If verified that the petition does not satisfy the requirements established in the *caput* of this article or presents defects and irregularities capable of making it difficult to judge the merit, the General Superintendence shall determine, **just once**, that applicants amend it, under penalty of dismissal.

§ 2 After the protocol for submission of the act of concentration, or amendment thereto, the General Superintendence shall publish the notice, indicating the name of the applicants, the nature of the transaction and economic sectors involved.

Art. 54. After the measures indicated in Art. 53 are complied with, the General Superintendence shall:

I – directly appreciate the request, rendering a final decision, when the proceeding dismisses new diligences or in the event of lower offensive potential to competition, so defined by Cade’s resolution; or

II – determine that complementary fact-finding be performed, specifying the diligences to be produced.

Art. 55. After the conclusion of the complementary fact finding, determined in item II of the *caput* of Art. 54 of this law, the General Superintendence shall manifest itself on the satisfactory compliance therewith, considering it proper to the analysis of the merits or determining that it be redone, due to being incomplete.

Art. 56. The General Superintendence may, by means of a reasoned decision, declare the operation as complex and determine the performance of new complementary fact finding, specifying the diligences to be produced.

Sole paragraph. Once the operation is declared as complex, the General Superintendence may require to the Court the extension of the term referred to in § 2 of Art. 88 of this Law.

Art. 57. After the conclusion of the complementary fact-finding referred to in item II of Art. 54 and Art. 56 of this Law, the General Superintendence shall:

I – render a decision approving the act without restrictions;

II – present an objection to the Court, if it understands that the act must be rejected, approved with restrictions or if there is no conclusive elements in regards to its effects in the market.

Sole paragraph. The objection of the act presented to the Court, must show, within a context, the potential of the act to cause harm to the competition and the reasons why it must not be fully approved or rejected.

Section II

Administrative Proceeding in the Court

Art. 58. The applicant may offer, within thirty (30) days as of the objection date of the General Superintendence, in a written petition, directed to the President of the Court, a manifestation exposing the findings of fact and matters of law against the objection to the act of concentration of the General Superintendence, attaching all evidences, studies and opinions supporting its requests.

Sole paragraph. Within up to forty-eight (48) hours after the decision related to the objection presented by the General Superintendence, set forth in item II of the *caput* of Art.

57 of this Law and under the terms of item I of Art. 65 of this Law, the case shall be assigned, randomly, to a Reporting Advisor.

Art. 59. After the manifestation of the applicant, the Reporting Commissioner shall:

I – render a decision determining that the case be submitted to trial, if he understands that the fact finding has been sufficient;

II – determine the performance of complementary fact finding, if necessary, being able, at his criteria, to require that it be performed by the General Superintendence, stating the controversial points and specifying the investigations to be produced.

§ 1 The Reporting Commissioner may authorize, as the case may be, precarious and preliminarily, the performance of the act of economic concentration, imposing conditions aiming at preserving the reversibility of the transaction, when so recommended by the conditions of the concrete case.

§ 2 The Reporting Commissioner may follow up the performance of the diligences referred to in item II of the *caput* of this article

Art. 60. After the fact-finding is concluded, the Reporting Commissioner shall determine the submission of the case to trial.

Art. 61. During the judgment of the petition for the approval of the act of economic concentration, the Court may fully approve it, reject it or partially approve it, in which case the restrictions to be observed as a condition for the validity and efficacy of the act .

§ 1 The court shall determine the applicable restrictions in order to mitigate occasional negative effects of the act of economic concentration over the affected relevant markets.

§ 2 The restrictions mentioned in § 1 of this article include:

I – the sale of assets or a group of assets that constitutes a business activity;

II – the spinoff of the company;

III – transference of corporate control;

IV – accounting or legal division of activities;

V – compulsory licensing of intellectual property rights; and

VI – any other act or measure necessary to eliminate the harmful effects to the economic order.

§ 3 Once the merits are judged, the act may not be submitted once again nor reviewed within the scope of the Executive.

Art. 62. In case of refusal, omission, deceitfulness, falsity or unjustified delay, by the applicants, of information or documents whose submission is determined by Cade, without prejudice to the other applicable sanctions, the petition for approval of the act of economic concentration may be rejected due to lack of evidences, in which case the applicant may only perform the act upon submission of a new petition, under the terms of Art. 53 of this Law.

Art. 63. The terms set forth in this Chapter shall not be suspended or interrupted for any reason, except as set forth in § 5 of Art. 6 of this Law, as the case may be.

Art. 64. Vetoed.

Section III

Appeal against General Superintendence Decision to Approve the Act

Art. 65. Within fifteen (15) days as of the publication of the decision by the General Superintendence approving the act of concentration, under the terms of item I of the *caput* of Art. 54 and item I of the *caput* of Art. 57 of this Law:

I – an appeal may be submitted to the Court, which may be filed by third parties or, in regards to regulated markets, by the respective regulatory agency;

II – the Court may, upon request of one of its Commissioners and upon a reasoned decision, submit the case to trial, provided that the Commissioner responsible for the request shall be advised thereof.

§ 1 Within up to five (5) business days as of the receipt of the appeal, the Reporting Commissioner shall:

I – appreciate the appeal and determine its submission to trial;

II – appreciate the appeal and determine the performance of a complementary fact finding, being permitted, at its criteria, to require that the General Superintendence perform such fact finding, stating the controversial points and specifying the investigations to be produced; or

III – not appreciate the appeal, determining its dismissal.

§ 2 Applicants may manifest themselves about the appeal, within five (5) business days after such appeal is appreciated at the Court or after the report is received with the conclusion obtained from the complementary fact-finding prepared by the General Superintendence, whichever occurs last.

§ 3 The litigator acting in bad faith shall incur a fine, in favor of the Diffuse Right Defense Fund, to be arbitrated by the Court between five thousand reais (R\$ 5,000.00) and five million reais (R\$ 5,000,000.00), taking into account the economic status of the litigator, his acts in the case and unjustified delay caused to the approval of the act.

§ 4 The filing of appeal referred to in the *caput* of this article or the decision to make such request shall suspend the execution of the act of economic concentration until the Court renders a final decision.

§ 5 The Reporting Commissioner may follow up the performance of the investigations referred to in item II of § 1 of this article.

CHAPTER III

ADMINISTRATIVE INVESTIGATION TO VERIFY VIOLATIONS TO THE ECONOMIC ORDER AND PREPARATORY PROCEDURE

Art. 66. The administrative investigation, investigatory procedure of inquisitorial nature, shall be initiated by the General Superintendence in order to verify violations to the economic order.

§ 1 The administrative investigation shall be installed *ex officio* or in view of any reasoned statement by any interested party, or as a result of informative briefs, when the indications of violation to the economic order are not sufficient to initiate the administrative proceeding.

§ 2 The General Superintendence may initiate an administrative investigation preparatory procedure to verify violations to the economic order and determine if the

conduct under analysis is under the competence of the Brazilian System for Defense to Competition, under the terms of this Law.

§ 3 The diligences adopted within the scope of the administrative investigation preparatory procedure to verify violations to the economic order must be performed within thirty (30) days at the most.

§ 4 From the order determining the dismissal of the preparatory procedure, rejecting the request to open the administrative investigation, or dismissal thereof, an appeal may be submitted by any interested party to the General Superintendent, as determined in the regulation, reaching the ultimate decision.

§ 5 Vetoed.

§ 6 Petitions presented by the National Congress Commission, or any of its houses, as well as Secretary for Economic Monitoring, regulatory agencies and Attorney General's Office associated to Cade, does not depend on preparatory procedures, and the administrative investigation or administrative proceeding is immediately established.

§ 7 The representative and respondent may require any diligence, which may be performed or not, at the discretion of the General Superintendence.

§ 8 The General Superintendence may require the participation of the police authorities or Public Prosecution in the investigations.

§ 9 The administrative investigation must be concluded within a term of one hundred and eighty (180) days, as of its starting date, and it can be extended for sixty (60) more days, by means of a reasoned order, and when the fact is of difficult elucidation and when so justified by the circumstance of the concrete case.

§ 10. The preparatory procedure, as well as administrative investigation, may be treated as confidential, if interesting to the investigations, at the criteria of the General Superintendence.

Art. 67. Within up to ten (10) business days as of the closing date of the administrative investigation, the General Superintendence shall decide to initiate or dismiss the administrative proceeding.

§ 1 The Court may, upon demand of an Commissioner and according to a reasoned decision, request the administrative investigation or administrative investigation preparatory procedure filed by the General Superintendence, provided that the Commissioner who presented such demand shall be advised.

§ 2 Once the administrative investigation is requested, the Reporting Commissioner shall have thirty (30) business days to:

I – confirm the dismissal decision of the General Superintendence, as well as, if deemed necessary, to provide grounds for its decision;

II – transform the administrative investigation in administrative proceeding, determining that a complementary fact finding be performed, being also possible, at its criteria, to require that the General Superintendence performs it, stating the controversial points and specifying the diligences to be produced.

§ 3 The administrative investigation may be treated as confidential, in the interest of the investigations, at the discretion of the Plenary of the Court.

Art. 68. The failure to comply with the terms set forth in this Chapter by the General Superintendence, as well as by its servants, without a duly evidenced reason in the records,

may result in the respective administrative, civil and criminal liability.

CHAPTER IV

ADMINISTRATIVE PROCEEDING FOR THE IMPOSITION OF ADMINISTRATIVE SANCTIONS TO VIOLATIONS TO THE ECONOMIC ORDER

Art. 69. The administrative proceeding, contradictory proceeding, aims to guarantee to the accused party wide defense in regard to the conclusions of the administrative investigation, whose final technical note, approved under the terms of Cade's rules, shall constitute the initial pleading.

Art. 70. In the decision that initiates the administrative proceeding, that the notification of the respondent shall be determined so that, within thirty (30) days, he presents a defense and specifies the evidences to be produced, presenting the complete qualification of up to three (03) witnesses.

§ 1 The initial notice shall contain the entire contents of the decision approving the initiation of the administrative proceeding and representation, as the case may be.

§ 2 The initial notification of the respondent shall be sent by mail, with return receipt in his own name, or by any other means which assure the awareness of the interested party or, if the notification sent by mail is not successful, such notification shall be published in the Federal Official Gazette and in a newspaper of wide circulation in the State in which the respondent resides or is headquartered, provided that the term for the inclusion of the return receipt, or publication, as the case may be, shall be counted, as the case may be.

§ 3 Subpoena on the other procedural acts shall be served upon publication in the Federal Official Gazette, which shall contain the name of the respondent and of his attorney, if any.

§ 4 The respondent may follow up the administrative proceeding by its holder, directors or managers, or by his attorney, guaranteeing to them wide access to the records of the Court.

§ 5 The term of thirty (30) days mentioned in the *caput* of this article may be extended for up to ten (10) days, not extendable, upon respondent's request.

Art. 71. The respondent shall be considered in default if, after being notified, the respondent does not present defense within the legal term, incurring in confession regarding the subject *de fato*, provided that the other deadlines shall continue to run against him, regardless of notice.

Sole paragraph. Regardless of the procedural phase, the defaulter may intervene, without the right to repeat any act already practiced.

Art. 72. Within up to thirty (30) business days after the expiration of the term set forth in Art. 70 of this Law, the General Superintendence, upon a reasoned order, shall determine the production of the evidences it considers relevant, provided that it shall be entitled to exercise the fact finding powers set forth in this Law, maintaining the legal secrecy, as the case may be.

Art. 73. Within up to five (5) business days as of the conclusion of the fact finding phase set forth in Art. 72 of this Law, the General Superintendence shall notify the respondent to present new allegations, within five (5) business days.

Art. 74. Within up to fifteen (15) business days as of the expiration of the term set

forth in Art. 73 of this Law, the General Superintendence shall submit the records to the President of the Court, who shall decide, on a reasoned report, whether to dismiss it or reaffirm the violation.

Art. 75. After the proceeding is received, it shall be assigned by the President of the Court, randomly, to the Reporting Advisor, who may, if he considers necessary, require that the Attorney General's Office associated to Cade manifest itself within twenty (20) days.

Art. 76. The Reporting Commissioner may determine diligences, by means of reasoned orders, and may also, at its criteria, require that the General Superintendence perform them, within the established term.

Sole paragraph. After the conclusion of the diligences determined under this article, the Reporting Commissioner shall notify the respondent so that, within fifteen (15) business days, he can present his final arguments.

Art. 77. Within fifteen (15) business days as of the date of receipt of the final arguments, the Reporting Commissioner shall require that the case be submitted to trial.

Art. 78. Upon the President's invitation and indication of the Reporting Advisor, any person can present clarifications to the Court, about the matters under analysis.

Art. 79. The Court's decision, in any event, shall be well grounded, and when deciding on the existence of violation to the economic order, it shall contain:

I – specification of the facts constituting the verified violation and indication of the measures to be taken by the people responsible for ceasing it;

II – Vetoed.

III – stipulated fine;

IV – daily fine in case the violation is continued; and

V – fine in case of non-compliance with the stipulated measures.

Sole paragraph. The Court's decision shall be published within five (5) business days in the Federal Official Gazette.

Art. 80. The provisions contained in Law No. 8.437, of June 30th, 1992 shall be applicable to the decisions rendered by the Court.

Art. 81. Upon failure to comply with the decision, in full or in part, such fact shall be informed to the President of the Court, which shall determine that the Attorney General's Office associated to Cade arranges for its legal enforcement.

Art. 82. The failure to comply with the terms set forth in this Chapter by the members of Cade, as well as by its respective servants, without duly evidenced justification in the records, may result in the assessment of the respective administrative, civil and criminal liability.

Art. 83. Cade shall complementarily manifest itself on the administrative investigation and proceeding.

CHAPTER V

PREVENTIVE MEASURE

Art. 84. In any phase of the administrative investigation to assess violations or administrative proceedings to impose sanctions for violations to the economic order, the Reporting Commissioner or General Superintendent may, at their initiative or upon the

request of the Chief Prosecutor of Cade, adopt preventive measures, upon indication or reasoned concern that the defendant directly or indirectly causes or may cause irreparable or hardly repairable damages to the market, or make ineffective the final outcome of the process.

§ 1 In the preventive measures, the immediate cessation of the practice shall be determined, being ordered, when materially possible, the reversal to the previous situation, setting a daily fine pursuant to art. 39 of this Law.

§ 2 The decision to adopt a preventive measure may be voluntary appealed to the Plenary of the Court, within five (5) days, without suspensive effect.

CHAPTER VI

CEASE-AND-DESIST COMMITMENT

Art. 85. In the administrative proceedings referred to in items I, II and III of Art. 48 of this Law, Cade may obtain from the defendant a cease-and-desist commitment related to the practice under investigation or its harmful effects, if duly grounded, for convenience and at the proper time, and if it understands that it complies with the interests protected by law.

§ 1 The agreement should contain the following elements:

I - the specification of the defendant's obligations not to practice the investigated activity or its harmful effects, as well as obligations deemed applicable;

II – the establishment of the fine to be paid in case of failure to comply, in full or in part, with the undertaken obligations;

III - establishment of the pecuniary contribution to be paid to the Diffuse Rights Defense Fund, whenever applicable.

§ 2 In regard to the investigation of a violation related to or resulting from the conduct set forth in items I and II of § 3 of Article 36 of this Law, among the obligations referred to in Item I of § 1 of this article it shall appear, necessarily, the obligation to pay to the Fund for the Defense of Diffuse Rights a monetary value that can not be less than the minimum required under Article 37 of this Law.

§ 3 The execution of the cease-and-desist commitment may be proposed until the end of the fact-finding of the administrative proceeding in relation to the practice being investigated.

§ 4 The proposed cease-and-desist commitment may only be submitted once.

§ 5 The proposed cease-and-desist commitment may be confidential.

§ 6 The presentation of the cease-and-desist commitment does not suspend the administrative proceeding in course.

§ 7 The cease-and-desist commitment shall be public, and it shall be published at Cade within five (5) days after its execution.

§ 8 The cease-and-desist commitment constitutes an instrument enforceable in court.

§ 9 The administrative proceeding shall be suspended while the cease-and-desist commitment is being complied with and shall be filed at the end of the established deadline, if all the conditions set forth therein are satisfied.

§ 10. The suspension of administrative proceeding referred to in § 9 of this Article shall be given only in relation to the defendant who has signed the commitment, following

its regular course in relation to the other defendants.

§ 11. If such cease-and-desist commitment is not complied with, Cade shall apply the sanctions provided for therein and determine the continuation of the administrative proceeding and other administrative and legal measures for the enforcement thereof.

§ 12. The conditions of the cease-and-desist commitment may be changed by Cade if proved to be excessively burdensome for the defendant, provided that the change does not cause damages to third parties or to the collectivity.

§ 13. The proposal of execution of the cease-and-desist commitment shall be rejected when the authority does not reach an agreement with defendants regarding its terms.

§ 14. Cade shall define, by resolution, the additional rules applicable to the cease-and-desist commitment.

§ 15. The provisions contained in Article 50 of this Law shall apply to the cease-and-desist commitment.

CHAPTER VII

LENIENCY PROGRAM

Art. 86. Cade, by means of the General Superintendence, may enter into leniency agreements, with the extinction of any punitive action of the public administration or reduction from one (1) to two thirds (2/3) of the applicable penalty, under the terms of this article, with natural persons or legal entities that cause violation to the economic order, provided that they effectively cooperate with the investigations and administrative proceeding resulting from such cooperation:

I – The identification of the other persons involved in the violation; and

II – The obtainment of information and documents proving the informed or investigated violation

§ 1 The agreement referred to in the *caput* of this article may only be executed if the following requirements are cumulatively fulfilled:

I – the company is the first to be qualified in relation to the informed or investigated violation;

II – the company completely ceases its involvement in the informed or investigated violation, as of the date the agreement is proposed;

III - the General Superintendence does not have sufficient evidences to guarantee the conviction of the company or natural person at the time the agreement is proposed; and

IV – the company confesses to having participated in the tort and fully and permanently cooperates with the investigations and administrative proceeding, appearing, under its expenses, whenever required, to all procedural acts, until the conclusion thereof.

§ 2 In relation to the natural persons, they may enter into leniency agreements provided that requirements II, III and IV of § 1 hereof are complied with.

§ 3 The leniency agreement entered into with Cade, by means of the General Superintendence, shall set forth the conditions necessary to guarantee effective cooperation and useful result from the proceeding.

§ 4 The Court shall, upon the judgment of the administrative proceeding, once the compliance with the agreement is verified:

I – determine the extinction of the punitive action of the public administration in favor of the transgressor, if the settlement proposal has been submitted to the General Superintendence without prior knowledge of the notified violation; or

II – in the other cases, reduce the applicable penalties from one (1) to two thirds (2/3), observing what is set forth in Art. 45 of this Law, also considering the classification of the penalty the effective cooperation provided and transgressor’s good faith in the compliance with the lenience agreement.

§ 5 In the case described in item II of § 4 of this article, the penalty over which the reducing factor shall incur shall not be higher than the lowest penalty applicable to the other transgressors, in relation to the percentage established for the application of the fines referred to in item I of Art. 37 of this Law.

§ 6 The effects of the lenience agreement shall be extended to companies of the same group, *de facto* or *de jure*, and to their directors, administrators or employees involved in the violation, provided they enter into it jointly, respecting the imposed conditions.

§ 7 The company or natural person that does not obtain, during the investigation or administrative proceeding, qualification to enter into the agreement referred to in this article, may enter into with the General Superintendence, until the case is submitted to trial, a lenience agreement related to another violation, of which Cade has not prior knowledge.

§ 8 Under the terms of § 7 of this article, the transgressor shall benefit from reduction of one third (1/3) of the penalty applicable to him in that case, without prejudice to obtaining the benefits mentioned in item I of § 4 this article about the new reported violation.

§ 9 The agreement proposal referred to in this Article is considered confidential, except in the interest of the investigations and the administrative proceeding.

§ 10. The rejection of the proposed leniency, of which no disclosure shall be made, shall not be considered a confession as to the facts nor recognition of the wrongfulness of the conduct under analysis.

§ 11. The application of this Article shall observe the rules to be issued by the Court.

§ 12. In case of failure to comply with the leniency agreement, the beneficiary will be unable to enter into a new leniency agreement for a period of three (3) years as of the trial date.

Art. 87. In crimes against the economic order, as defined by Law No. 8137, of December 27th, 1990, and other crimes directly related to cartel conduct, such as defined by Law No. 8666, of June 21st, 1993, and the ones defined in article 288 of Decree-Law No. 2,848, of December 7th, 1940 - Penal Code, the execution of a lenience agreement under this Law, determines the suspension of the statute of limitations and prevents denunciation from being offered in relation to the leniency beneficiary agent.

Sole paragraph. Once the leniency agreement has been complied with by the agent, the punishments for the crimes set forth in the *caput* of this article shall automatically cease.

TITLE VII
CONCENTRATION CONTROL
CHAPTER I
CONCENTRATION ACTS

Art. 88. The following shall be submitted to Cade by the parties involved in the operation of acts of economic concentration in which, cumulatively:

I - at least one of the groups involved in the transaction has registered, in the last balance sheet, annual gross sales or total turnover in the country, in the year preceding the transaction, equivalent or superior to four hundred million reais (R\$ 400,000,000.00); and

II - at least one other group involved in the transaction has registered, in the last balance sheet, gross annual sales or total turnover in the country, in the year preceding the transaction, equivalent to or greater than thirty million reais (R\$ 30,000,000.00).

§ 1 The values mentioned in item I and II of the *caput* of this article may be adequate, simultaneously or independently, on indication of Cade, by inter-ministerial decree of the Ministries of Finance and Justice.

§ 2 The control of the concentration acts referred to in the *caput* of this Article will be prior and shall be performed within, at the latest, two hundred and forty (240) days, as of the application protocol or amendment thereto.

§ 3 The acts found under the provisions set forth in the *caput* of this article shall not be fulfilled before being appreciated, under this article and the procedure set forth in Chapter II of Title VI of this Law, under penalty of nullity, a pecuniary fine also being imposed, in a value not less than sixty thousand reais (R\$ 60,000.00) nor more than sixty million reais (R\$ 60,000,000.00) to be applied under the regulations, without prejudice to the opening of an administrative proceeding, under Article 69 of this Law.

§ 4 Until the final decision on the transaction, the conditions of competition shall be preserved between the companies involved, under penalty of incurring the sanctions provided for in § 3 of this article.

§ 5 The concentration acts involving elimination of competition in a substantial portion of the relevant market, which could create or strengthen a dominant position or that can result in the domination of the relevant market of goods or services shall be prohibited, except as set forth in § 6 of this Article .

§ 6 The acts referred to in § 5 of this Article may be permitted, provided they are within the limits strictly necessary to achieve the following objectives:

I - cumulatively or alternatively:

- a) increase productivity or the competitiveness;
- b) improve the quality of goods or services; or
- c) encourage efficiency and technological or economic development;

and

II - a relevant part of the resulting benefits are transferred to consumers.

§ 7 Cade may, within one (1) year as of the respective date of fulfillment, require the submission of the concentration acts that do not fall within the provisions of this article.

§ 8 Changes in equity control of publicly-held companies and records of merger, without prejudice to the obligation of the parties involved, must be reported to Cade by the Securities and Exchange Commission - CVM and by the National Registry of Commerce of the Ministry of Development, Industry and Foreign Trade, respectively, within five (5) business days, if necessary, to be examined.

§ 9 The term mentioned in § 2 of this article may only be extended:

I - for up to 60 (sixty) days, unextendable, upon request of the parties involved in the transaction, or

II - up to 90 (ninety) days, upon a reasoned decision rendered by the Court, specifying the reasons for the extension, the period of extension, which may not be renewed, and the measures which are necessary for the submission of the case to trial.

Art. 89. In order to analyze the concentration act submitted, the procedures set forth in Chapter II of Title VI of this Law shall be observed.

Sole paragraph. Cade shall regulate, by means of Resolution, the previous analysis of the concentration acts undertaken with the specific purpose of participating in auctions, biddings and acquisitions of shares through public offering.

Art. 90. For the purposes of Article 88 of this Law, a concentration act shall be carried out when:

I - two (2) or more previously independent companies merge;

II - one (1) or more companies acquire, directly or indirectly, by purchase or exchange of stocks, shares, bonds or securities convertible into stocks or assets, whether tangible or intangible, by contract or by any other means or way, the control or parts of one or other companies;

III – one (1) or more companies incorporate one or other companies, or

IV - two (2) or more companies enter into an associative contract, consortium or joint venture.

Sole paragraph. What is described in item IV of the *caput*, when destined to biddings promoted by direct and indirect public administration and to contracts arising therefrom shall not be considered concentration acts, for the purposes of Article 88 of this Law, .

Art. 91. The approval referred to in article 88 of this Law may be reviewed by the Court, ex officio or upon request of the General Superintendence, if the decision is based on false or misleading information provided by the interested party, in case of non-compliance with any of its obligations or if the intended benefits are not achieved.

Sole paragraph. In the case described in the *caput* of this article, the falsity or deceitfulness shall be punished with a pecuniary fine, equivalent to not less than sixty thousand reais (R\$ 60,000.00) nor more than six million reais (R\$ 6,000,000.00) to be applied according to the rules of Cade, without prejudice to the opening of administrative proceedings, pursuant to article 67 of this Law, and the adoption of any other appropriate measures.

CHAPTER II

AGREEMENT ON CONCENTRATION CONTROL

Art. 92. Vetoed.

TITLE VIII

JUDICIAL ENFORCEMENT OF CADE'S DECISIONS

CHAPTER I PROCEEDING

Art. 93. The decision of the Plenary of the Court, resulting in fine or imposing obligations, constitutes an extrajudicial executive title.

Art. 94. Enforcements whose exclusive purpose is the collection of pecuniary fines

shall be made in accordance with the provisions of Law No. 6830, of September 22nd, 1980.

Art. 95. For enforcements whose purpose, in addition to the collection of fines, is the compliance with obligations, the Judge shall grant the specific protection of the obligation, or determine other measures to ensure the practical result equivalent to that of compliance.

§ 1 The conversion of specific obligations to compensation for losses or damages shall only be admissible if specific protection or obtainment of the corresponding practical result is impossible.

§ 2 The compensation for losses and damages shall be made without prejudice to fines.

Art. 96. Enforcement will be performed by all means, including by means of intervention in the company, if necessary.

Art. 97. The enforcement of Cade's decisions will be promoted in the Federal Court of the Federal District or headquarters or domicile of the judgment debtor, at Cade's choice.

Art. 98. The establishment of embargoes or the filing of any action seeking cancelation of the executive title shall not suspend the enforcement, if a bond on the value of the court fines is not posted, in order to ensure compliance with the final decision on the case, including with respect to daily fines.

§ 1 To ensure compliance with specific performance obligations, the judge must set adequate bail.

§ 2 Once the injunction is revoked, the deposit of the value corresponding to the fine shall be converted into income of the Fund for the Defense of Diffused Rights.

§ 3 The cash deposit shall not suspend the effect of interest and monetary correction, and Cade may, in the case described in § 2 of this article, enforce the collection of the difference between the value reverted to the Fund for the Defense of Diffused Rights and the updated value of the fine, with the legal increases, as if the enforcement of the credit had never been suspended.

§ 4 In the action that has Cade's decision as an object, the plaintiff must deduce all questions *de facto* and *de jure*, under penalty of estoppel, all claims that could be deduced being considered deduced so that the petition is granted, provided that such petition cannot be deduced under different causes of action in different actions, except with regard to subsequent events.

Art. 99. Due to the severity of the violation of the economic order, and upon well-grounded fear of irreparable damage or difficult to repair, in spite of the deposit of fines and provision of security, the judge may determine the immediate adoption, in full or in part, of the provisions contained in the executive title.

Art 100. In order to calculate the daily fine for continued violation, the final date set by Cade for the voluntary adoption of the measures contained in its decision shall be considered as the initial term, and the day it is actually complied with shall be considered as the final term.

Art 101. The process to enforce in court the decisions rendered by Cade shall take precedence over other kinds of action, except *habeas corpus* and writ of mandamus.

CHAPTER II

JUDICIAL INTERVENTION

Art 102. The Judge shall order intervention in the company when is required to ensure the specific performance, appointing an intervener.

Sole paragraph. The decision which determines the intervention shall be duly substantiated and shall indicate, clearly and precisely, the steps to be taken by the appointed intervener.

Art 103. If, within forty-eight (48) hours, the debtor challenges the intervener due to incapacity or lack of good standing, if such claim is proved within three (3) days, the judge will decide within the same period.

Art 104. If the challenge is upheld, the judge shall appoint a new intervener within five (5) days.

Art 105. The intervention may be withdrawn before the deadline, provided that full compliance with the obligations that has determined it is demonstrated.

Art 106. The judicial intervention should be restricted to those actions necessary to comply with the legal decision that has determined it and shall have the maximum duration of one hundred and eighty (180) days, leaving the intervener responsible for its actions and omissions, especially in cases of abuse of power and misuse of purpose.

§ The provisions of arts. 153-159 of Law No. 6404, of December 15th, 1976, shall be applicable to the intervener, as appropriate.

§ 2 The intervener's compensation will be arbitrated by the judge, who may replace him at any time, being such replacement obligatory upon civil insolvency, when he is considered as the passive or active subject in any form of corruption or malfeasance, or violation of any of his duties .

Art. 107. The judge may dismiss from their duties the administrators of the company that are proven to hinder the performance of acts incumbent on the intervener, provided that any possible replacement shall be performed as set forth in the company's bylaws.

§ 1 If, despite the measures set forth in the *caput* of this article, one or more persons in charge of the administration of the company continue to impede the action of the intervener, the judge shall proceed in the manner set forth in § 2 of this article.

§ 2 If the majority of the persons in charge of the administration of the company refuse to cooperate with the intervener, the judge shall order that he takes over the full administration of the company.

Art 108. The intervener shall have the following obligations:

I – conduct or order the performance of all acts necessary for the enforcement;

II - advise the Judge of any irregularities committed by the company, which he becomes aware of;

III - submit to the Judge a monthly report of his activities.

Art 109. The expenses resulting from the intervention shall be borne by the debtor against whom it has been decreed.

Art 110. After the period of intervention, the intervener shall submit a detailed report to the judge about its management, proposing the extinction and filing of the case or asking for an extension of the term, in case it was not possible to fully comply with the ordered decision.

Art. 111. Whoever opposes to or prevents any intervention or, after the end thereof,

performs any acts that directly or indirectly annul its effects, in full or in part, or disobey legal orders given by the intervener shall, as the case may be, be held criminally liable for resistance, disobedience or coercion during the proceeding, under the terms of articles 329, 330 and 344 of Decree-Law No. 2848, of December 7th, 1940 - Penal Code.

TITLE IX

FINAL AND TRANSITIONAL PROVISIONS

Art 112. Vetoed.

Art 113. In order to implement the transition to the system of mandates that do not coincide, the appointment of Commissioners shall meet the following criteria in regard to the terms of office, in the following order:

I - two (2) years for the first two (2) vacant seats; and

II - three (3) years for the third and fourth vacant seats.

§ 1 The terms of office of the members of Cade and the Chief Prosecutor in force on the enactment date of this Law shall be maintained and exercised to its original completion, and the subsequent appointments following the extinction of such terms of office shall observe what is set forth in this article.

§ 2 In the case of § 1 of this article, the Commissioner who exercises his first term of office at Cade, after the end of his original term of office, may be reappointed for the same position, as set forth in items I and II of the *caput* of this article.

§ 3 The Commissioner who is exercising his second term at Cade, after the end of his original term of office, may not be appointed again for the subsequent period.

§ 4 There will be no reappointment for the Chief Prosecutor exercising his term of office at Cade, after the end of his original term of office, and he may be designated to remain in office, as set forth by art. 16 of this Law.

Art 114. Vetoed.

Art 115. The provisions of Law No. 5869, as of January 11th, 1973 - Code of Civil Procedure, 7347, of July 24th, 1985, 8078, of September 11th, 1990 and 9784, of January 29th, 1999 shall be subsidiary applicable to the administrative and judicial proceedings set forth in this Law.

Art 116. Article 4 of Law No. 8137, as of December 27th, 1990, shall be in force and read as follows:

"Article 4

I - abuse of economic power, dominating the market or eliminating, in full or in part, the competition by means of any business readjustment or agreement;

a) (revoked);

b) (revoked);

c) (revoked);

d) (revoked);

e) (revoked);

f) (revoked);

II – sign contracts, agreement, alliance or adjustment between offerors, in order to:

- a) artificially fix prices or quantities sold or produced;
- b) regional market control by company or group of companies;
- c) control, in detriment of competition, distribution networks and suppliers.

Penalty - imprisonment from two (2) to five (5) years and fine.

III - (revoked);

IV - (revoked);

V - (revoked);

VI - (revoked);

VII - (revoked). "(NR)

Art 117. The *caput* and item V of article 1 of Law No. 7347, as of July 24th, 1985, shall henceforth read as follows:

"Art. 1 Actions for material damages and pain and suffering caused by the following reasons shall be governed by the provisions of this Law, without prejudice to class actions:

..... ..

V - violation of the economic order;

..... "(NR)

Art. 118. In the legal proceedings discussing the application of this Law, Cade shall be summoned to, if it desires to do so, intervene in the case, as an assistant.

Art 119. What is set forth in this Law shall not apply to cases of dumping and subsidies referred to in the Agreements Regarding the Implementation of Article VI of the General Agreement on Custom Fees and Trade, duly enacted by Decrees No. 93941 and 93962, of January 16th and 22nd, 1987, respectively.

Art 120. Vetoed.

Art 121. It 200 (two hundred) jobs of Specialists in Public Policies and Government Management, shall be created, for the exercise of the Secretary for Economic Monitoring and, primarily in Cade, observing the quantitative and guidelines established by the Supervising Board of Career, integrating the Career of Specialist in Public Policy and Government Management, for the exercise of the attributions specified in Art. 1 of Law No. 7834, of October 6th, 1989, to be gradually provided, within the legal limits and specific authorization of the budgetary guideline law, pursuant to item II of § 1 of Article 169 of the Federal Constitution.

Sole paragraph. The positions belonging to the Ministry of Justice currently allocated at the Department of Economic Protection and Defense of the Secretariat of Economic Law, shall be transferred to Cade, as well as the DAS-6 of the Secretary of Economic Law.

Art 122. The SBDC agencies may request officers from direct federal public administration, autarchies or foundations, regardless of holding a position under commission or position of trust.

Sole paragraph. The server required under this Article shall be ensured all rights and benefits that are entitled to the origin agency or entity, considering the period of requisition for all purposes of the functional life, as an effective exercise of the position he occupies in the original body or entity.

Art 123. An act by the State Ministry for Planning, Budget and Management shall determine the ideal number of effective positions occupied, to be maintained, by means of allotment, requisition or exercise, within the scope of Cade and Secretary for Economic Monitoring, and shall establish a schedule so that their numbers are achieved, subject to the Union Budgets.

Art. 124. The following positions under commission of the Senior Advisory and Management Group shall be created, within scope of the Federal Executive Branch, for allocation to Cade - DAS: two (2) positions of NES special nature of President and General Superintendent of Cade, seven (7) DAS-6, sixteen (16) DAS-4, eight (8) DAS-3, eleven (11) DAS-2 and twenty-one (21) DAS-1.

Art. 125. The Executive shall provide for the regimental structure of Cade, as well as the responsibilities and duties, denomination of units and specification of offices, allocating, in the internal units of the autarchy, commissioned positions and rewarded functions.

Art. 126. The following commissioned positions of the Senior Advisory and Management Group - DAS and rewarded functions shall be extinct, within the scope of the Federal Executive - FG: three (3) DAS-5, two (2) FG-1 and sixteen (16) FG-3.

Art. 127. Law No. 9781, of January 19th, 1999, arts. 5 and 6 of Law No. 8137, of December 27th, 1990, and the arts. 1 to 85 and 88-93 of Law No. 8884, of June 11th, 1994 are hereby revoked.

Art. 128. This Law becomes effective one hundred and eighty (180) days after its official publication.

Brasília, November 30th, 2011

DILMA ROUSSEFF
President of the Republic