

## The End of the Dollar Black Market in Brazil

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Tuesday, 08 March 2005

Brazil's Central Bank informed that the unification of the commercial and tourist currency exchange markets (for businesses and individuals, respectively) and the new exchange regulation for exports will go into effect next week, in accordance with the norms approved by the National Monetary Council (CMN) last Friday, March 4.

Beginning next Monday, March 14, there will no longer be limits on purchases and sales of dollar and other foreign currencies in Brazil. This will facilitate transactions for people who need to transfer funds abroad.

The current laws only permit individuals to conduct these transactions when they are going to travel outside the country and limit business transactions to US\$ 5 million per operation.

The new measure, approved in a special meeting of the CMN, will help to deplete the black market exchange, known as the parallel market, which charges an average 20% premium over the official US dollar exchange rate.

Minister of Development, Industry and Foreign Trade, Luiz Fernando Furlan, said recently that Brazil should take advantage of the cheaper dollar and strengthen its reserves, boost trade and pay off dollar debts, especially companies in the private sector.

Furlan also announced that the government should announce measures to stimulate industrial and commercial activity at a meeting of the Industrial Development Council. The measures should go into effect soon and will reduce taxes for maritime ports and so-called dry ports.

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Agência Brasil