CORPORATE
Newsletter

INVESTMENT FUNDS IN BRAZIL

What sets our market apart

The Brazilian investment fund market has unique characteristics that directly impact investors, managers, and companies involved in structuring financial transactions.

Legal Framework (in transition):

special condominium regime

In Brazil, investment funds are classified as pooling of resources under a special legal regime, different from the traditional condominium structure established in the Civil Code. This special framework reflects the collective nature of investment, but Congress is already considering updates to better align the regime with market practices through Legislative Proposal No. 4/2025, which, among other measures, introduces rules for disregarding the legal personality of investment funds in cases of insolvency.

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Mandatory Registration with the CVM

Unlike in many other jurisdictions, every investment fund in Brazil must be registered with the CVM (Brazilian Securities and Exchange Commission). This requirement enhances transparency, standardization and regulatory oversight, key pillars supporting trust in the Brazilian market.

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REGULATORY DIVISION ACROSS FUND CATEGORIES

Brazilian regulation distinguishes between financial funds (fixed income, multimarket, equities) and structured funds such as:

(i) FIPs (private equity funds);

(ii) FIEs (foreign investment funds);

(iii) Fiagros (agribusiness production chain funds);

among others, each governed by specific rules regarding governance, risk, and investor eligibility.

Expanded Access for Retail Investors

The CVM has been gradually increasing the possibilities for retail investors to participate in structured funds, promoting greater democratization of access to investment products previously restricted to qualified investors.

Robust Institutional Environment

Brazil has a strong ecosystem of essential service providers—administrators, managers, custodians, and auditors—which ensures segregation of duties and mitigation of operational risks, in line with international best practices.

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Growing Regulatory Debate

Topics such as Shadow Banking, systemic risk, and the potential expansion of the Central Bank's supervisory authority over investment funds are central to ongoing discussions, signaling a new cycle of institutional strengthening.

Why This Matters for Companies and Investors

Understanding these specificities is essential for anyone involved in structuring transactions, raising capital, or diversifying investments. A strategic legal perspective reduces risks, improves decision-making, and reveals opportunities that often go unnoticed.

With specialized expertise in financial and capital markets, our firm provides comprehensive legal advisory services in the structuring, review, and monitoring of investment funds, including both financial and structured vehicles. We assist managers, administrators, and companies in navigating CVM regulatory requirements, identifying risks, optimizing structures, and executing transactions efficiently and in full compliance. We are ready to support your business at every stage—from planning to execution.

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