CENTRAL BANK OF BRAZIL

COMMUNIQUÉ 13.750

Announces of an additional authorization granted to the Securities Clearinghouse of the Brazilian Mercantile & Futures Exchange.

We hereby communicate that the Board of Governors of the Central Bank of Brazil, in a session held on September 27, 2005, based on item II of article 5 of Resolution No. 2.882, of August 30, 2001, has authorized the Securities Clearinghouse of the Brazilian Mercantile & Futures Exchange (BM&F Securities Clearinghouse) to include in its activities the clearing and settlement of the following types of transactions:

(a) specific repo transactions whereby the purchase and sale transaction is cash settled and the repurchase and resale agreement is settled within the next 66 business days, pursuant to a prior fixed rate;

(b) cash- or securities-driven repo transactions whereby the purchase and sale transaction is cash settled (on a gross or deferred basis) and the repurchase and resale agreement is settled within the next 66 business days, pursuant to a floating rate, which is a percentage of the Selic Rate (Brazil's the benchmark interest rate), and the amount of securities is fixed and defined in the negotiation; and

(c) migrationtransactions whereby the repo operations whereby purchase and sale transaction is cash settled through a settlement system (BM&F Securities Clearinghouse or Special System for Settlement and Custody – Selic) and the repurchase and resale agreement is settled through a different system (Selic or BM&F Securities Clearinghouse), within the next 66 business days, pursuant to a prior fixed rate.

Additionally, authorization has been granted for adoption of a risk management model for the new category of Clearinghouse participant, the Centralized Settlement Master Participants (*Master de Participante com Liquidação Centralizada - PLM*).

Brasilia, September 29, 2005

PAYMENT SYSTEM AND BANKING OPERATIONS DEPARTMENT

Luiz Fernando Cardoso Maciel
Acting Unit Chief