

1. Which old bonds of the internal public debt in the form of paper are still negotiated in the market? Which have prescript and which are still valid?

A: Every old bond in the form of paper is prescript except the Agrarian Debt Bonds “*Títulos da Dívida Agrária – TDA*”. The most commonly illegally offered to uninformed investors are:

- Public Debt Policy (*Apólices da Dívida Pública*);
- War Obligations (*Obrigações de Guerra*);
- Economic Repair Obligations (*Obrigações do Reparamento Econômico*)
- Financial Recovery Bond (*Título de Recuperação Financeira*); and
- Federal Funded Internal Debt Bonds from 1956 (*Títulos da Dívida Interna Fundada Federal de 1956*).

All these bonds, as any other in the form of paper that are not TDA, are prescript, according to the Report n° 859 of the Ministry of Finance Legal Department (PGFN), published in the Official Union Diary, of 6 of July of 1998, Section 1, pages 13 through 16, by the force of Law n° 4,069/62 and the following legal diplomas: Decree-law n° 263, from 28 of February of 1967, that authorized the Executive to redeem Federal Internal Public Debt Bonds, without monetary correction clause issued before that date. This Decree-law established a six month deadline starting in the beginning of the effective execution of the respective services, disclosed in an official notification published by the Central Bank of Brazil, which occurred in 07.05.1968. The referred official notification established, for the bonds that are mentioned, deadlines for submission, respectively, from 07.01.68 to 01.01.69 and from 09.02.68 to 03.02.69. Exhausted the mentioned deadlines, the bonds, including the interests, would be considered prescript in the terms of art. 3° of the Decree-law in question; and the Decree-law n° 396, of 30 of December of 1968, that extended for six more months the deadline mentioned in the Decree-law n° 263/67. Consequently, the final deadline for the submission of the bonds became, respectively, 07.01.69 and 09.02.69. After these dates the debt prescribed, including interests due. Other information about old bonds can be found at the PGFN website at “Apólices” (Portuguese only).

2. The bonds ORTN, OTN, BTN and LTN are still valid? What are the possibilities to redeem and to use them in the settlement of debts with the Union?

A: The ORTN, OTN and BTN are prescript by the force of art. 60 of the Law n° 4,069, from 11 of June of 1962, transcript below: “Art. 60 – Are due to legal prescription the debts correspondent to the redemption of municipal, state and federal bonds, which payment are not claimed after a period of 5 (five) years from the date when the redemption of their debts became public. Paragraph one. It is also considered prescript the interest of the securities mentioned in this article which payment are not claimed after a period of 5 (five) years from the date on which they became due.” The last lot of ORTN and OTN matured in 1994, prescribing, though, in 1999. Therefore, these securities are prescribed, not having the possibility of being used in the settlement of debts with the Union, or leaving any procedures for redemption or value upgrade. There is still a lot of BTN maturing in 2013 but it is not issued anymore.

Regarding National Treasury Bills – LTN - , issued in the beginning of the 1970’s, they showed maturities of a maximum 365 days. There was no exception to this rule and there was not any change in the maturities. Still, some people have tried to obtain advantages offering false LTN, supposedly issued in the 1970’s, with a maturity greater that 365 days, whose maturities were allegedly renegotiated for current dates. They argue that these bonds are still valid, and underwritten. These statements are all false, worth clarifying:

- The maximum maturity was 365 days;
- There was never a renegotiation of the maturity or any other characteristic;
- No paper version bonds have been underwritten.

The National Treasury issue regularly LTN in book form in two ways:

- The Treasury Direct - Public bond retail sales program;;

- Through weekly auctions.

3. Are old internal bonds from states and municipalities honored by the National Treasury?

A: No. Old internal bonds from states and municipalities are responsibility of the respective issuers and any information should be gathered with them.