Cryptocurrencies are digital tokens. They are a type of digital currency that allows people to make payments directly to each other through an online system. Cryptocurrencies have no legislated or intrinsic value; they are simply worth what people are willing to pay for them in the market.

Brazil has not currently enacted regulations or legislation specifically regulating cryptocurrency.  Nonetheless, existing legal and regulatory structures provide guidance with respect to cryptocurrencies.

Virtual currencies do not currently fall under the definition of legal currency under Brazilian law.  Under the Decree-Law 857-69 and Law 10192/01, the Brazilian real is the country’s legal currency.  Cryptocurrencies are generally considered assets under the general Civil Code regime.  See Law 10406/02.

Initial Coin Offerings–at least those that intrinsically take on the functional characteristics of a security–may be subject to the Capital Markets Law and the Brazilian Securities Exchange Commission (CVM) regulatory framework.  As such, offerings may be subject to CVM Ruling 400/03 and/or other CVM guidance.