

BRASIL TELECOM HOLDING CO
Form 6-K
December 22, 2004

**SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 6-K

**REPORT OF FOREIGN ISSUER
PURSUANT TO RULE 13a-16 OR 15d-16 OF THE
SECURITIES EXCHANGE ACT OF 1934**

THROUGH DECEMBER 22, 2004

(Commission File No. 1-14477)

BRASIL TELECOM PARTICIPAÇÕES S.A.
(Exact name of registrant as specified in its charter)

BRAZIL TELECOM HOLDING COMPANY
(Translation of Registrant's name into English)

**SIA Sul, Área de Serviços Públicos, Lote D, Bloco B
Brasília, D.F., 71.215-000
Federative Republic of Brazil**
(Address of Registrant's principal executive offices)

Indicate by check mark whether the registrant files or will file
annual reports under cover Form 20-F or Form 40-F.

Form 20-F Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K
in paper as permitted by Regulation S-T Rule 101(b)(1).

Indicate by check mark if the registrant is submitting the Form 6-K
in paper as permitted by Regulation S-T Rule 101(b)(7).

Indicate by check mark whether the registrant by furnishing the
information contained in this Form is also thereby furnishing the
information to the Commission pursuant to Rule 12g3-2(b) under
the Securities Exchange Act of 1934.

Yes No

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If "Yes" is marked, indicated below the file number assigned to the registrant in connection with Rule 12g3-2(b):

Investor Relations

(55 61) 415-1140

ri@brasiltelecom.com.br

Media Relations

(55 61) 415-1378

cesarb@brasiltelcom.com.br

Free Translation

BRASIL TELECOM PARTICIPAÇÕES S.A.

Publicly Traded Company

Corporate Taxpayer Registration CNPJ/MF 02.570.688/0001-70

Board of Trade NIRE 53 3 0000581 8

MATERIAL FACT

CREDIT OF INTEREST ON SHAREHOLDERS EQUITY

We hereby inform Brasil Telecom Participações S.A. s (Company) shareholders that the Company s Executive Management deliberated, following a delegation from the Board of Directors specified on a meeting held on December 12th, 2003 and on December 21st, 2004, the credit of Interest on Shareholders Equity in the amount of R\$168,500,000.00 (one hundred sixty-eight million and five hundred thousand *reais*), which corresponds to a gross amount of R\$0.469937078 per one thousand shares and an amount net of income tax of R\$0.399446516 per one thousand common and preferred shares, as pursuant to Article 9 of Law 9,249 of December 26th, 1995 and to the Brazilian Securities Exchange Commission s (Comissão de Valores Mobiliários) Deliberation 207/96.

Eventual changes in the amount that will be paid per one thousand shares may occur as pursuant to Article 16 of the Brazilian Securities Exchange Commission s Instruction 10, issued on February 14, 1980, considering that the Board of Directors approved a shares buyback program, on a meeting held on September 13th, 2004.

I Income Tax Withheld: Income tax of 15% will be withheld from the amount of credit of Interest on Shareholders Equity, except for those shareholders proven to have fiscal exemption or with differentiated taxation.

II Date of the Credit: December 3rd, 2004.

III Date of Trading ex-Interest on Shareholders Equity : As of January 2005, Brasil Telecom Participações S.A. s shares will trade Ex-Interest on Shareholders Equity , considering the shares deposited on January 2005.

IV Information on the Payment and Credit of Dividends: Interest on Shareholders Equity may be accounted for as dividends relative to the fiscal year 2004 and is subject to the approval of the 2005 Ordinary General Shareholders Meeting. The payment date, when deliberated, will be announced through a notice to shareholders.

V Proof of Tax Exemption or Differentiated Taxation

Shareholders exempted from income tax or with differentiated taxation, according to the Brazilian tax legislation, shall prove such condition to the Custodian Bank Banco ABN AMRO REAL S.A., Gerenciamento de Acionistas de Terceiros, Av. Paulista, 1,374/8o Andar Cerqueira César, Zip Code 01.310-916 - São Paulo SP, until January 6, 2005.

Brazil, Brasília, December 22nd, 2004.

Paulo Pedrão Rio Branco

Investor Relations Officer

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: December 22, 2004

BRASIL TELECOM PARTICIPAÇÕES S.A.

By: /s/ Paulo Pedrão Rio Branco

Name: Paulo Pedrão Rio
Branco
Title: Financial Executive
Officer
