

November 7, 2019

080/2019-PRE

C I R C U L A R L E T T E R

To: B3's Market Participants – BM&FBOVESPA Segment

Re: **Accreditation Process for Market Makers in IBrX 50 Futures (BRI).**

Up to five market makers will be accredited under this program.

If the number of accreditation requests exceeds the number of openings, the market makers to be accredited will be selected at the sole discretion of B3.

Accreditation procedure

Institutions that wish to take part in the program are advised to consult the Procedures Guide for the Accreditation of Market Makers, available at www.b3.com.br/en_us/, Products and Services, Trading, Market Maker, Join in, Accreditation.

Timetable

Accreditation Instrument filed	Accounts registered	Start of activity	End of obligation
By Nov. 22, 2019	Nov. 29, 2019	Dec. 16, 2019	Dec. 11, 2020

B3 may at its sole discretion assess accreditation applications submitted after these deadlines, provided the delay is duly justified.

Activity parameters

Market makers accredited for this program must execute buy and sell orders in accordance with the following activity parameters:

Asset	Spread (points)	Minimum lot	Minimum period of activity during trading session	Contract months
IBrX 50 Futures (BRI)	30	15	80%	1st and 2nd

Market makers are required to register bids and offers until the fifth business day before expiration of the first contract month available for trading. As of the fourth business day prior to this expiration date, market makers are obliged to trade in the next two contract months admitted to trading.

It is important to note that the mandatory minimum daily period of activity for market makers is eighty per cent (80%) of each trading session on the equity and ETF markets, in order to ensure that hedging transactions are not jeopardized.

Test period

Market makers enjoy the benefits specified below without having to observe the activity parameters for up to ten business days before the start of their mandatory activity so that they can execute connectivity, session and order routing tests, as well as the necessary technological configurations. After the test period, market makers' activities will be monitored by B3.

Maximum number of parameter breaches

Any market maker's accreditation to this program may be cancelled in the event of more than twelve unjustified breaches of the activity parameters and/or of the obligations set forth in this Circular Letter and in the Agreement of Accreditation for Market Maker Activity, or if the justification is not accepted by B3.

Minimum activity period

If a market maker desists from the accreditation process without having begun its activities under this program, it will be exempted from meeting the thirty-day minimum activity period required by Circular Letter 109/2015-DP, dated October 8, 2015. If a market maker withdraws after the start of its activity, it must comply with the thirty-day notice period without fail so that its deaccreditation can be communicated to the market.

Benefits

Accredited institutions will be exempted from exchange fees and from (i) registration fees, (ii) settlement fees, and (iii) permanence fees, as applicable, on trades in the assets in this program and trades executed for hedging purposes in the stocks comprised in the theoretical portfolio of the IBrX 50 Index or ETFs referenced to this index, provided such trades comply with the criteria and limits defined in the Fee Policy set forth in the Annex to this Circular Letter.

The message flows, trades and volume generated by the accredited institutions will not be considered for the purposes of the Trading Message Control Policy, as per Circular Letter 039/2013-DP, dated May 27, 2013, and Circular Letter 050/2013-DP, dated July 30, 2013.

General provisions

B3 will resolve any omissions regarding this accreditation process and the program.

Further information can be obtained from the Chief Product and Client Officer's team by telephone on +55 11 2565 5026 or by email at formadordemercadob3@b3.com.br.

Gilson Finkelsztain
Chief Executive Officer

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Chief Product and Client Officer

Annex to Circular Letter 080/2019-PRE

Fee Policy for Market Makers in IBrX 50 Futures (BRI)

1. Conditions for market maker eligibility

This fee policy applies only to market makers accredited by B3 for this program, subject to their compliance with the requirements described below.

2. Applicable fees

Exchange fees and other fees on buy and sell orders for IBrX 50 Futures (BRI) by accredited market makers will be reduced to zero.

3. Exemption from fees on hedge trades

No exchange fees or settlement fees will be due on hedge trades in the stocks comprised in the theoretical portfolio of the IBrX 50 Index or ETFs referenced to this index, provided such trades are executed in accordance with the criteria and limits defined in items (a) and (b) below (exemption from fees on hedge trades):

a) Limit for exemption from fees on hedge trades

Market makers will be exempted from fees on hedge trades only if:

- (i) the total financial volume of buy and sell orders for the said stocks and ETFs executed for hedging purposes in the account designated for market maker activity as per item (b) below does not exceed the same-day (T0) volume or next-day (T+1) volume (if the BRI is held to expiration) of offsetting sell and buy orders for the IBrX 50 Futures in which the market maker is accredited to trade;
- (ii) the financial volume of buy and sell orders executed for hedging purposes for each stock in the theoretical portfolio of the reference index is limited to thirty per cent (30%) of the same-day (T0) volume or next-day (T+1) volume (if the BRI is held to expiration) of offsetting sell and buy orders for the IBrX 50 Futures in which the market maker is accredited to trade.

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If a market maker surpasses the limit defined in items (i) and (ii) on one or more days, the exchange and other fees specified in the fee policy for the cash equity market products concerned will be charged on the daily excess volume. In this case no distinctions will be made by type of investor, and policies offering progressive discounts based on average daily trading volume (ADTV) or day trade volume will not apply, nor will any other discount offered by B3.

Buy and sell orders for stocks and ETFs executed on the odd-lot market are not considered for the purposes of granting hedge trade fee exemption.

Market makers are responsible for payment in full of exchange fees and settlement fees on each month's daily excess volumes not later than the last business day of the following month.

b) Account for hedge trade fee exemption

To be eligible for hedge trade fee exemption, market makers must designate a specific account solely for the settlement of hedge trades relating to IBRx 50 Futures, regardless of the number of accounts they use overall in their market making activities.

4. General provisions

If a market maker is deaccredited by B3 or requests deaccreditation before the end of its obligation, the exemptions provided for in items 2 and 3 of this fee policy will cease to be applicable as of the date of its deaccreditation.

This fee policy does not apply to market makers for other securities admitted to trading on the markets operated by B3.