

WFC Single Disclosure Report 2019**AGC answers**

Date submitted
24/12/2019 11:10:42

General information

1 G01Q001 Please indicate the full name of the responding institution: <i>PFMI: Annex A - CSD disclosure template [CSD name]</i> <i>AGC: 0a</i>
B3 – Brasil, Bolsa, Balcão S.A. - Central Securities Depository

2 G01Q002 Registered address: <i>PFMI: n/a</i> <i>AGC: 0c</i>
Address: Praça Antonio Prado, 48 - Centro - 01010-901 São Paulo - SP Country: Brazil

3 G01Q003 Country of registered address: <i>PFMI: n/a</i> <i>AGC: 0d</i>
Brazil

6 G01Q006 The WFC, the AGC, CPMI and IOSCO encourage respondents to make their disclosure reports publicly available. Do you agree to make your response publicly available? <i>PFMI: n/a</i> <i>AGC: 99</i>
Yes, my response will be public, but only for my answers to AGC questions. [A2]

7 G01Q007 How will you be making your answers publicly available? <i>PFMI: n/a</i> <i>AGC: 99a</i>
<input checked="" type="checkbox"/> Website <input checked="" type="checkbox"/> Upon request

OTHER:

8 G01Q008

This disclosure can also be found at the following web address(es):

PFMI: Annex A - CSD disclosure template [website URL]

AGC: 99b

9 G01Q009

First and Last Name of the contact person:

PFMI: Annex A - CSD disclosure template [contact details]

AGC: 99c

Ricardo Dias Gomes

10 G01Q009A

Disclosure submission authorisation

I hereby certify that I am authorised to submit this disclosure report on behalf of my institution.

11 G01Q010

Email address of the contact person:

PFMI: Annex A - CSD disclosure template [contact details]

AGC: 99h

ricardo.gomes@b3.com.br

12 G01Q011

Telephone number (please include the international country code):

PFMI: n/a

AGC: 99e

+ 55 11 2565 4267 / +55 11 2565 4891

13 G01Q012

How do you prefer to be contacted?

PFMI: n/a

AGC: 99d

Telephone

Fax

mail/air courier

e-mail

14 G01Q013

Fax number

PFMI: n/a

AGC: 99f

N/A

15 G01Q014

What is the preferred street address for mailing requests?

PFMI: n/a

AGC: 99g

Address: Praça Antonio Prado, 48 - Centro - 01010-901 São Paulo - SP Brazil

25 G01Q024

I am submitting up-to-date information in response to:

- The AGC questions and a report with only AGC answers will be generated
- The PFMI questions and a report with only PFMI answers will be generated
- Both the AGC and PFMI questions and a report with answers to both questionnaires will be generated

Legal Basis (PFMI Principle 1)

27 G02Q002

Under what regulation or statute is the CSD established and governed?

PFMI: n/a

AGC: 7

The Central Depository is also regulated and supervised by: (i) Comissão de Valores Mobiliários ("CVM"), the Brazilian Securities and Exchange Commission, which deals mainly with the depository activities; and also by (ii) Banco Central do Brasil ("BCB"), the Brazilian Central Bank, responsible for establishing rules on clearance and settlement activities. The main legal instruments that governs the depository activities are: (i) Law n°. 4595/64, Creates the National Monetary Council and regulates the Financial Institutions; (ii) Law n°. 6.404/76, Brazilian Corporate Law; (iii) Law n°. 10.214/01, Regulates clearinghouses activities; (iv) Resolution CMN n°. 2882/01, Brazilian Payment System principles; (v) Instruction CVM n°. 461/07, regulates the stocks, commodities and futures exchanges; (vi) Instruction CVM n° 541, rules and procedures applicable to the Central Securities Depository; (vii) Central Bank Circular number 3.057/01 - rules the clearinghouses systems; Central Bank Circular number 3.743/15 - rules central securities depositories and trade repository activities; (viii) Company's CSD Rulebook and Operating Procedures (in portuguese only).

28 G02Q003

Is the regulation or statute electronically available?

PFMI: n/a

AGC: 7a

Yes [Y]

29 G02Q004

If regulation or statute is electronically available, please supply web address(es) here or upload document(s).

PFMI: n/a

AGC: 7b

B3's Website: http://www.b3.com.br/pt_br/regulacao/; Brazilian Securities Commission website: <http://www.cvm.gov.br/>; Brazilian Central Bank website: <http://www.bcb.gov.br/> B3's Investor Relations website: <https://ir.b3.com.br/>

30 G02Q005
filecount - Please supply document(s) here:

PFMI: n/a
AGC: 7c

0

Governance and ownership (PFMI Principle 2)

45 G03Q002
What type of legal entity is the institution?

PFMI: n/a
AGC: 3

- Public Company
- Private Company
- Central Bank (or part thereof)
- Stock Exchange (or part thereof)
- OTHER:

46 G03Q003
Is the institution operated as a "for profit" or a "not for profit" organization?"

PFMI: n/a
AGC: 4

For profit [A01]

47 G03Q004
Please provide the names of the owners and their ownership interest percentages.

PFMI: n/a
AGC: 5

B3 is a public held company and does not have a direct and/or indirect controlling shareholder or group of controlling shareholders. The updated information regarding B3's ownership structure is available at the Company's Investor Relations website: <https://ir.b3.com.br/>

NOME DO ACIONISTA	QTDE. AÇÕES ORDINÁRIAS	% DO TOTAL	ÚLT. ALTERAÇÃO
CAPITAL WORLD INVESTORS	198.618.595	9,65%	04/04/2017
FUNDOS ADMINISTRADOS PELA BLACKROCK, INC.	92.434.646	4,49%	11/08/2015
OUTROS	1.753.162.566	85,14%	30/05/2019
AÇÕES EM TESOURARIA	14.922.683	0,72%	31/05/2019

TOTAL	2.059.138.490	100,00%	-
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48 G03Q005

What is the date of establishment of the CSD?

PFMI: n/a

AGC: 6a

22/03/2017

49 G03Q006

What is the date that the CSD's operations began?

PFMI: n/a

AGC: 6b

22/03/2017

50 G03Q007

Are participants required to contribute capital to the CSD that would result in ownership of the CSD?

PFMI: n/a

AGC: 18

No [A02]

51 G03Q008

If yes, what fixed amount is required or what formula is used to determine the appropriate contribution level?

PFMI: n/a

AGC: 18a.

59 G03Q016

What are the roles and responsibilities of the CSD's board of directors (or equivalent), and are they clearly specified? Please provide details of the structure and composition of your Board together with their industry experience and responsibilities in governing the CSD. What are the qualifications to become a board member?

PFMI: Q.2.3.1

AGC: 7d

The B3's Depository Services are under the management of B3's Board of Directors and Executive Officers. The shareholders shall meet ordinarily within the first four months after the year closes to decide on the matters set forth under Article 132 of Brazilian Corporate Law (including the election of the board, whenever it's the case) and, extraordinarily, whenever the interests of the Company so require. As the Board of Executive Officers is responsible for carrying out the core businesses of the company, some of the questions related to the Board of Directors were answered also considering the Executive Officers. Board of Directors: The Company's Board of Directors is comprised 11 members, most of whom are independent. They are elected at the shareholders' meeting, and receive a two-year mandate with the possibility of reelection. The Board's main functions are to define the strategy of the Company, approve the annual budget, and ensure its proper implementation. It also decides when to convene the shareholders' meeting, how to allocate profits, conduct elections, remove and monitor the Executive Directors and select the independent auditors. Unless upon a waiver pronounced at a Shareholders' Meeting, pursuant to the Company's Bylaws the eligibility requirements for candidate directors shall include those that are set forth below, in addition to the requirements set forth under applicable Law and regulations: (a) being over 25 years old; (b) having an upstanding reputation and proficient knowledge of the functioning of the markets operated by the Company and/or its subsidiaries, as well as other areas of knowledge required under the Internal Rules of the Board of Directors; (c) not having a spouse, domestic partner or relative to the second degree serving as director or officer of, or employed with, the Company or any of its subsidiaries; (d) not holding a position in any company deemed to be a competitor of the Company or its subsidiaries, and neither having, nor representing any party that has, a conflict of interest with the Company or its subsidiaries. A conflict of interest is presumed to exist relative to any person that, cumulatively: (i) has been elected by a shareholder that has also elected a director in a competitor company; and (ii) has ties arising from a 'subordinate relationship' with the shareholder voting for his or her election; and (e) having actual disposition to dedicate time and effort as member of the Board of Directors, regardless of other positions the candidate may hold in other entities, whether as director and/or executive. Board of Executive Officers: The Executive Officers are responsible for the day-to-day operations and for the implementation of the general guidelines and policies established by the Board of Directors. These Executive Officers are elected by the Board of Directors to a two-year mandate with the possibility of

reelection. They can also be removed by the Board of Directors. The main functions of the Executive Board are to submit its annual management report and accounts for review by the Board of Directors, to approve the allocation of net income from the previous year, and to prepare and propose the annual and multi-year budgets, strategic plans, expansion plans and investment programs.

The Board of Executive Officers has a Chief Operating Officer responsible for operations, clearing and depository, Mr. Cicero Augusto Vieira Neto hold this position in the Company since 2008 (then BM&FBovespa), being responsible for electronic trading, clearing & settlement, central counterparty (CCP), central securities depository (CSD), trade repository (TR) and the B3 Custody and Settlement Bank. He joined the exchange in 2001 and prior to that he was Head of Risk Management of Matrix Bank. He holds a PhD in economics. Pursuant to Brazilian Corporate Law, each member of the Executive Board must reside in Brazil, although it is not required that he or she be a shareholder of the Company. Pursuant to the rules of the Novo Mercado, the new officers must sign the Statement of Consent prior to assuming their respective positions. According to the article 147 paragraph 1st and 2nd of Law 6,404, the following are disqualified for election to an administrative office in the corporation: persons disqualified by special law, or sentenced for a bankruptcy offense, fraud, bribery or corruption, misappropriation of public funds or embezzlement, crimes against the national economy or decency or public property, or to any criminal sanction which precludes, even temporarily, access to public office. A person who has been declared by the Brazilian Securities and Exchange Commission to be incapacitated is also ineligible for election to an administrative office in a publicly held corporation. Yet, according to same law, officers shall have unblemished reputations and are ineligible for election, unless an applicable waiver is granted by the general meeting, in the following cases: (i) holding of a position in a competing company, especially in management board or advisory or finance committees; and (ii) conflicting interests with the company. For further information please refer to item 12 of the attached B3's Reference Form or access the Company's Investor Relations website: <https://ri.b3.com.br/ptb/4398/FRE%20-%20Verso%207.pdf>

61 G03Q018

What are the election procedures?

PFMI: Q.2.3.2

AGC: 7e

Board of Directors: The Directors are elected by the shareholders at the Annual Shareholders Meeting, pursuant to the procedures set forth in the Company's bylaws. Pursuant to the Bylaws, a slate system shall be adopted in elections of the members of the Board of Directors and, in such slate system election, only the following slates of candidates may run: (i) those nominated by the Board of Directors, as advised by the Nominations and Corporate Governance Committee; or (ii) those that are appointed by any shareholder or group of shareholders in the manner provided for in the Bylaws. The Board of Directors, as advised by the Nominations and Corporate Governance Committee shall, on the date the Shareholders' Meeting that is to elect the members of the Board of Directors is called, make available at the Company's headquarters any statement signed by each of the members of the slate of candidates appointed, containing: (i) his or her complete identification information; (ii) a complete description of his or her professional experience, including previous work experience qualifications and academic qualifications; and (iii) information regarding disciplinary or judicial proceedings in which a judgment of guilty has been entered under a final and unappealable decision issued, in addition to information on instances of disqualification or inability to serve or conflict of interest with the Company, if any, such as prescribed under Article 147, paragraph 3, of Brazilian Corporate Law. Where a shareholder or group of shareholders wishes to propose a different slate of candidate nominations to the Board of Directors, it shall forward to the Board of Directors, jointly with the proposed slate to be presented pursuant to the applicable regulation, statements signed individually by the candidates they nominate, containing the information required in the Bylaws, and the disclosure shall observe the terms of the applicable regulation. Candidates nominated by the Board of Directors or any shareholder to serve as independent directors shall be identified as such, due regard being given to the eligibility requirements set forth in Paragraphs 6 and 7 of Article 22 of the Company's Bylaws. A single person may be nominated in two or more slates, including the one proposed by the Board of Directors. Any shareholder shall vote for just one slate, and the votes shall be computed in compliance with the limitations provided for in Article 7 of the Bylaws. The candidates nominated in the slate that receives the highest number of votes shall be declared elected. Where the candidates are nominated individually, the voting system shall dispense with the slate system and votes shall be cast relative to each individual candidate. In elections of the members of the Board of Directors, shareholders individually or jointly representing interest in at least 5% of the outstanding shares are entitled to request adoption of cumulative voting system, provided they so request at least 48 hours prior to the Shareholders' Meeting. Promptly upon receiving the request, the Company shall release notice thereof in the Company's Internet site advising shareholders that the election will take place in a cumulative voting process, and shall forward the same information, via computer, to the CVM and B3. On convening the meeting, the presiding officers shall determine the number of eligible votes attributable to each shareholder or Shareholder Group, based on the signatures affixed to the Shareholders' Attendance List and number of shares of record, provided that for purposes of the voting cap established in Article 7 of the Company's Bylaws, the number of board seats to be filled in the election shall be multiplied by the number of eligible votes, meaning votes not exceeding the cap threshold of 7% of the outstanding shares. Where the election of Directors adopts a cumulative voting process, the slate system shall be dispensed with and votes shall be cast individually on the candidates nominated in slates presented by the Board and shareholders according to Article 23 if the B3's Bylaws, provided each candidate shall have signed and presented to the meeting a statement containing the information required under paragraph 2 of Article 23 of the Bylaws. Any shareholder or Shareholder Group shall be entitled to allot all of its votes to a single candidate or spread out the votes among several. Candidates that receive the highest number of votes shall be declared elected. Where a tie is determined to have occurred for any given board seat, an additional voting round shall take place after the number of eligible votes attributable to each shareholder or Shareholder Group. Where the election of Directors is carried out in a cumulative voting process, the removal of one shall result in removal of all the Directors for a new election process to take place. Otherwise, where a board seat becomes vacant, elections shall be held to elect the entire Board of Directors in the next shareholders' meeting taking place after

the event. The Board of Directors shall appoint the Chairman and Vice Chairman from among its members. The appointment shall take place in the first meeting held after the Directors take office or in the first meeting after the vacancy of these positions.

62 G03Q019

What is the maximum length of time a board member can serve?

PFMI: Q.2.3.2

AGC: 7f

The board members are elected for a two (2) years mandate and reelection is permitted. For further information please refer to item 12.3 of the attached B3's Reference Form or access the Company's Investor Relations website: <https://ir.b3.com.br/>

63 G03Q020

How are the voting powers distributed amongst the board members (i.e. does each board member have one vote or do certain members have additional voting power)?

PFMI: Q.2.3.2

AGC: 7g

Each member of the Board of Directors has the right of one vote in the meetings of the Board. Apart from the exceptions listed in the Company's by-laws, the Board of Directors decisions are made on the basis of a vote of the majority of the members present at the meetings; in the case of a tie, the Chairman of the Board of Directors has the casting vote.

65 G03Q022

What are the procedures established to review the performance of the board as a whole and the performance of the individual board members? Who is responsible for regulating the board members?

PFMI: Q.2.3.4

AGC: 7h

The management activities developed by the Board of Directors and by the Executive Officers are subject to regulation by provisions set forth in the B3's bylaws, in the Brazilian Corporate Law, and in the rules and regulations of the Brazilian Securities Commission (CVM) and in the rules of the Novo Mercado. Annually, the president of the board and the Corporate Governance and Nomination Committee lead a structured and formal evaluation process that contains two dimensions: appraisal of the global performance of the board and individual appraisal of each member, due to improve its efficiency and corporate governance.

The process first step consists in an individual reflection from each member about the board and its global performance, considering the main aspects of an effective corporate governance concept: Strategic focus; knowledge and information about the company's business; decision-making process and independence of the board; board meetings and performance of advisory committees.

At the second step, an individual appraisal of the board members, are considered: impartiality; contribution to the decision-making process and assertiveness. The results are compiled and discussed at board meetings so there can have improvement plans and proposals.

Comprehensive risk management (PFMI Principle 3)

88 G04Q003

Any direct damages or losses to participants caused by the CSD as a result of force majeure events, acts of God, or political events, etc.?

PFMI: Q.3.1.1

AGC: 66x.

No [A02]

89 G04Q004

If yes, please check all of the following that apply:

PFMI: Q.3.1.1

AGC: 66y.

- Financial limits are imposed on the amount of liability assumed by the CSD
- The CSD assumes liability for direct losses
- The CSD assumes liability for indirect or consequential losses
- OTHER:

90 G04Q005

In all cases where the CSD assumes responsibility for direct or indirect or consequential losses, is the CSD's liability limited by a standard of care determination?

PFMI: Q.3.1.1
AGC: 66+

No [A02]

91 G04Q006

Please define the standard of care applied:

PFMI: Q.3.1.1
AGC: 66*

Credit risk (PFMI Principle 4)

121 G05Q011

Does the CSD have a guaranty fund independent of stock exchange or other market guarantees?

PFMI: Q.4.3.1
AGC: 78

Yes [A01]

122 G05Q012

If yes, please respond to the following questions: What is the size of the fund?

PFMI: Q.4.3.1
AGC: 78a.

The totality consists in a sum of variable contributions from all participants which represents about 1.2 billion Reais (BRL - Brazilian currency). B3's contribution is about 50% of the fund.

123 G05Q013

How is the size of the fund determined?

PFMI: Q.4.3.1
AGC: 78b.

Other: Regarding equity securities market the participants' contribution to the Fund is based on the risk exposure caused by the transactions to be settled under their responsibility. This risk valuation is based on extreme critical market conditions and it has 99,96% degrees of confidence. It is important to clarify that this fund is the CCP's third line of defense, after the clearing members minimum requirements (established by B3) and the collaterals that must be posted to cover their risk exposure. This amount ensures the cover of default from the two biggest participants concomitantly.

124 G05Q014

How is the fund financed?

PFMI: Q.4.3.1
AGC: 78d.

Other: The fund is financed by contributions from participants and a contribution from B3.

125 G05Q015
If so, what is the amount or percentage per owner?

PFMI: Q.4.3.1
AGC: 78e.

126 G05Q016
If so, what is the amount or percentage per participant?

PFMI: Q.4.3.1
AGC: 78f.

127 G05Q017
Who is covered by the fund?

PFMI: Q.4.3.1
AGC: 78h.

- Direct CSD participants only
- The beneficial owner also
- OTHER:

128 G05Q018
When is the guaranty fund used?

PFMI: Q.4.3.1
AGC: 78j.

- When a broker defaults
- When a direct participant defaults
- OTHER: The guaranty fund used when a direct participant defaults.

131 G05Q021
Does the CSD have insurance to cover losses in the event of Default on settlement commitments by the CSD or a participant?

PFMI: Q.4.3.3
AGC: 91

No [A02]

132 G05Q022
What is the amount of the coverage?

PFMI: Q.4.3.3
AGC: 91a

133 G05Q023

What is the amount of the deductible?

PFMI: Q.4.3.3

AGC: 91b

134 G05Q024

Please explain other loss or default protections:

PFMI: Q.4.3.3

AGC: 79a

Participant eligibility requirements, Participant volumes, Participant financial strength, Collateral requirements for participants, Debit caps for participants, Settlement controls that minimize or eliminate the risk of default by a participant; Blocking of securities movement before receipt of payment, Blocking payment until securities are moved.

135 G05Q025

Does the CSD accept liability (independent of any insurance coverage) for the following: Any direct damages or losses to participants caused by the CSD in its capacity as a central counterparty?

PFMI: Q.4.3.3

AGC: 66q.

Yes [A01]

136 G05Q026

If yes, please check all of the following that apply:

PFMI: Q.4.3.3

AGC: 66r.

- Financial limits are imposed on the amount of liability assumed by the CSD
- The CSD assumes liability for direct losses
- The CSD assumes liability for indirect or consequential losses
- OTHER:

Collateral (PFMI Principle 5)

141 G06Q001

Summary narrative for PFMI Principle 5. Please provide a summary narrative disclosure with sufficient detail and context, as well as any other appropriate supplementary information, to enable readers to understand the CSD's approach to or method for observing the principle. Please use the following questions as guidance for the points of focus and level of detail it is expected to convey in the disclosure. Cross references to publicly available documents should be included, where relevant, to supplement the discussion.)

PFMI: Annex A - CSD disclosure template - IV.P5

AGC: 35c

B3 manages a vertical structure of post trade solutions, including CCP and CSD. Inside this structure Collateral Management activities are handled by the B3 clearinghouse. B3 has guidelines to accept an asset as a collateral due to its market risk valuation. The main guidelines are: i) No Legal hindrance; price transparency and efficiency in trading and pos trading; ii) minimum level of liquidity; iii) existence of liquidity providers; iv) capability to estimate market and credit risk within acceptable level; v) for private bonds issuers must comply with the normatives from the management risk camera. Furthermore, B3 has a credit risk committee and a market risk committee that review and assess monthly her on normatives that regulate the eligibility of an asset in collateral. All normatives and policies are approved by the Brazilian Central Bank.

All the features and services related to collateral management are displayed in the PRINCIPLES FOR FINANCIAL

MARKET INFRASTRUCTURES B3 INFORMATION DISCLOSURE document which is published on B3 website (http://www.b3.com.br/en_us/products-and-services/clearing-and-settlement/clearing/). The rules and procedures of B3's clearinghouses related to collateral management are contained in their rulebooks and manuals, published on B3 website (http://www.b3.com.br/en_us/regulation/regulatory-framework/regulations-and-manuals/clearing-settlement-and-risk-management.htm)

Liquidity risk (PFMI Principle 7)

Settlement finality (PFMI Principle 8)

Money settlements (PFMI Principle 9)

217 G09Q003

Who accepts cash deposits (or makes payment credit accommodations) for CSD transactions?

PFMI: Q.9.1.1

AGC: 31

- CSD
- Central Bank
- Banks appointed by CSD
- Neither or others (e.g. credit lines used)
- Not applicable

OTHER: Explanatory Note: On the matter related to settlement of primary and secondary markets, according to BCB Circular 3057/01, money settlement of the net balance of transactions accepted by the clearinghouses must be effected directly in BCB. Transfers of funds in local currency (BRL) between clearing members and BM&FBOVESPA's clearinghouses for the settlement of obligations are therefore made in bank reserves via the Reserve Transfer System (STR) operated by BCB. Settlement via a "special settlement account" (CEL) is also offered by B3 Clearinghouse to investors accredited for the purpose, as an alternative to multilateral settlement via clearing members. In this settlement method, the customer's obligations and rights are settled via the account held in the customer's name with B3 Bank, without the participation of the brokerage house or clearing member responsible for the customer: if the customer is a debtor, the customer transfers funds to this account; if the customer is a creditor, the customer receives funds in this account from B3 Bank. Settlement via a CEL account also takes the form of transfers of bank reserves via the STR: (i) funds received from customers by B3 Bank are transferred by the latter to the clearinghouse via the STR, and (ii) funds owed to investors are transferred to B3 Bank via the STR. The timeline for settlement via CEL is contained in the window for multilateral settlement by clearing members (via the STR), so that in the event of CEL settlement failure the obligations of the customer concerned are transferred to the responsible clearing member and brokerage house.

218 G09Q004

Please indicate the name of the banks appointed by the CSD

PFMI: Q.9.1.1

AGC: 31a

219 G09Q005

Who processes cash clearing (or draws on credit lines, if applicable) for CSD transactions?

PFMI: Q.9.1.1

AGC: 32

- CSD
- Central Bank
- Banks appointed by the CSD
- Neither or others (e.g. credit lines used)

Not applicable

OTHER: Explanatory Note: Inside B3 structure cash clearing processes are performed by specific settlement systems, which are integrated to the B3 CSD systems, accordingly to the asset or type of transaction being settle.

220 G09Q006

Please name banks appointed by the CSD

PFMI: Q.9.1.1

AGC: 32a

221 G09Q007

Who controls the movement of cash for cash deposits (or draws on credit lines, if applicable)?

PFMI: Q.9.1.1

AGC: 33, 33b

CSD

Central Bank

Banks appointed by CSD

Neither or others (e.g. credit lines used)

Not applicable

OTHER: Explanatory Note: B3 maintains a settlement account in Brazilian Central Bank with direct access to the Brazilian Central Bank Money Transfer System. This account is transitory in its end and serves the purpose of storing financial funds during the settlement process. Through the Brazilian Central Bank Money Transfer System, the B3 settlement services sends messages to the settlement banks of the creditor and debtor participants indicating the amount to be paid or received. During the settlement window determined by the Central Bank, the settlement banks of the debtor participant give instructions to debit their Central Bank money account with the corresponding credit in the B3 settlement account.

222 G09Q008

Please name banks appointed by the CSD

PFMI: Q.9.1.1

AGC: 33a

223 G09Q009

Who controls the movement of cash for cash clearing (or for draws on credit lines, if applicable)?

PFMI: Q.9.1.1

AGC: 34

CSD

Central Bank

Banks appointed by CSD

Neither or others (e.g. credit lines used)

Not applicable

OTHER:

224 G09Q010

Please name banks appointed by CSD

PFMI: Q.9.1.1
AGC: 34a

Physical deliveries (PFMI Principle 10)

239 G10Q005
How are eligible securities lodged in the CSD system?

PFMI: Q.10.1.3
AGC: 57, 57a

- A registered certificate in the name of the CSD is delivered to the CSD.
- A participant delivers the security with a valid transfer deed or stock power or other transfer document to the CSD which then effects registration.
- A registrar re-registers the security in the name of the CSD.
- Not applicable
- OTHER: According each bond and securities attributes and government regulations, there are many requirements an issuer has to follow before an emission. Some of them depends on documents, physical or not, while others just need a simple registration in B3's systems. All processes apply the concept where the asset is transferred to the B3 fiduciary ownership. Depending on the type and nature of the financial instrument B3's CSD has different types of deposit processes. For securities and certain other types of financial instruments the process is performed in the records book of the issuer/registrar when the asset is transferred to the fiduciary ownership of the CSD. For assets issued with physical certificates, fiduciary transfer of ownership takes place when the custodian performs the endorsement of the physical asset to B3's CSD.

240 G10Q006
When are securities lodged into the CSD reflected in a participant's CSD account?

PFMI: Q.10.1.3
AGC: 58, 58a

- Securities are reflected in the participant's CSD account immediately upon delivery to the CSD.
- Securities are re-registered prior to being reflected in the participant CSD account.
- Not applicable
- OTHER:

241 G10Q007
How long does it usually take to lodge securities with the CSD?

PFMI: Q.10.1.3
AGC: 59, 59b

Other: Depending on the type and nature of the financial instrument and according on the Brazilian regulation, B3's CSD has different types of deposit processes. These situations make the time of a lodge vary from online to 2 days.

242 G10Q008
Please specify

PFMI: Q.10.1.3
AGC: 59a

243 G10Q009

During the process of lodging securities into the CSD, can the securities be traded?

PFMI: Q.10.1.3

AGC: 60

No [A02]

244 G10Q010

During the process of lodging securities into the CSD, can the securities be settled?

PFMI: Q.10.1.3

AGC: 60a

No [A02]

245 G10Q011

During the process of lodging securities into the CSD, can the securities have ownership transferred?

PFMI: Q.10.1.3

AGC: 60b

No [A02]

246 G10Q012

If they cannot be traded, or if you answered other, please explain

PFMI: Q.10.1.3

AGC: 60c

247 G10Q013

If they cannot be settled, or if you answered other, please explain

PFMI: Q.10.1.3

AGC: 60d

According to the Brazilian law, a lodge process must be finished for a security to be officially recognized and hence, settled.

248 G10Q014

If ownership cannot be transferred, or if you answered other, please explain

PFMI: Q.10.1.3

AGC: 60e

If the lodging procedures already started but are not completed the securities are created at the investor's account at the CSD blocked until the confirmation of the Issuer or the registrar. In this stage, securities ownership may not be transferred within the CSD environment.

249 G10Q015

Are securities immediately available for delivery upon transfer to the CSD?

PFMI: Q.10.1.3

AGC: 61, 61d

Yes [A01]

250 G10Q016

If no: Securities are unavailable for

PFMI: Q.10.1.3

AGC: 61a

251 G10Q017

If more than 4 weeks, please specify

PFMI: Q.10.1.3

AGC: 61b

252 G10Q018

If not applicable, please explain

PFMI: Q.10.1.3

AGC: 61c

253 G10Q019

What transfer process steps are involved when eligible securities are withdrawn from the CSD for safekeeping?

PFMI: Q.10.1.3

AGC: 63, 63a

Other: Securities are re-registered, in a book-entry form, in the name of the final beneficial owner in the 'books' of the issuer or its registrar. In the securities withdrawal process, the investor requests, by sending the proper documentation, the withdrawal of securities to his custodian. The custodian performs the request for withdrawal of securities to B3. After the request is performed, the balance of securities are blocked in the custody account of the investor. B3's CSD requests that the registrar/issuer makes the transfer of the securities from the B3 fiduciary ownership to the name of the investor in the record book. The registrar/issuer makes the transfer and informs the B3's CSD that makes the withdrawal of securities from the investor's account. For assets with the characteristic of physical certificates the withdraw of the asset takes place when the B3 CSD performs a new endorsement over the asset which is object of the withdraw back to the custodian of the investor.

254 G10Q020

How long does it usually take to remove securities from the CSD?

PFMI: Q.10.1.3

AGC: 64, 64b

Other: Depending on the type and nature of the financial instrument and according on the Brazilian regulation, B3's CSD has different types of deposit processes. These situations make the time to remove a security vary among few minutes to 2 days.

255 G10Q021

If more than 4 weeks, please specify

PFMI: Q.10.1.3

AGC: 64a

256 G10Q022

While the securities are being removed from the CSD, can they be traded? (Choose one)

PFMI: Q.10.1.3

AGC: 65a

No [A01]

257 G10Q023
If they cannot be traded please explain

PFMI: Q.10.1.3
AGC: 65b

As soon as B3 CSD receives any withdrawal instructions, the assets are considered removed from the CSD.

258 G10Q024
While the securities are being removed from the CSD, can they be settled? (Choose one)

PFMI: Q.10.1.3
AGC: 65c

No [A01]

259 G10Q025
If they cannot be settled, please explain

PFMI: Q.10.1.3
AGC: 65d

As soon as B3 receives any withdrawal instructions, the securities are considered removed from the CSD.

260 G10Q026
While the securities are being removed from the CSD, can they have ownership transferred? (Choose one)

PFMI: Q.10.1.3
AGC: 65e

No [A01]

261 G10Q027
If ownership cannot be transferred, please explain

PFMI: Q.10.1.3
AGC: 65f

As soon as B3 receives any withdrawal instructions, the securities are considered removed from the depository.

263 G10Q029
What are the vault security procedures for the safekeeping of physical paper?

PFMI: Q.10.2.1
AGC: 75

- Not applicable, no vault is maintained
- Electronic keys or combinations
- Dual access control
- Visitor logs

- Vault counts
- Intrusion alarms
- Fire alarms
- Guards
- OTHER:

264 G10Q030

Please indicate frequency of vault counts:

*PFMI: Q.10.2.1**AGC: 75a.*

265 G10Q031

Please explain:

*PFMI: Q.10.2.1**AGC: 75b*

Inside the B3 structure, the CSD is a fully dematerialized depository. All securities are in book-entry format and all processes are automated and paperless. Regarding asset issued in physical format certificates they are hold in a specific participant (Custodian physical custody) which must go through a formal qualification process with B3 CSD in accordance with its regulation.

Central Securities Depositories (PFMI Principle 11)

271 G11Q002

CSD FUNCTIONALITY AND SERVICES, USE OF AGENTS. Certain functionalities and services reduce risk to an investor if provided in an efficient manner. The purpose of this section is to identify those functionalities that may potentially be offered by depositories and clearing systems around the world, and ascertain whether they are offered by your institution. For which of the following security types do you serve as a CSD or clearing system?

*PFMI: n/a**AGC: 26*

- Government securities
- Equities
- Corporate bonds
- Corporate money market
- Not applicable
- OTHER: Others.

272 G11Q003

Please name the other security types:

*PFMI: n/a**AGC: 26a.*

Warrants, derivatives, Mortgage-Backed Security (LH), Investment Fund Quotas (CFF), Commercial Papers (NC), Agribusiness financing; Letra de Arrendamento Mercantil (LAM); Letra Financeira (LF) and Gold spot

273 G11Q004

Is the use of the CSD in your market compulsory by law or compulsory by market practice for the settlement or safekeeping of all instrument types in your market (e.g. equities, government securities, corporate bonds, money market instruments, warrants, derivatives etc).

PFMI: n/a

AGC: 27, 27c

- Yes by law for settlement of all instrument types
- Yes by law for safekeeping of all instrument types
- Yes by market practice for settlement of all instrument types
- Yes by market practice for safekeeping of all instrument types
- Yes by law for settlement, but not for all instrument types
- Yes by law for safekeeping, but not for all instrument type
- Yes by market practice for settlement, but not for all instrument types
- Yes by market practice for safekeeping, but not for all instrument types
- Neither
- OTHER:

274 G11Q005

Please list the instrument types for which it is not compulsory by law to: (i) settle in your CSD

PFMI: n/a

AGC: 27a. (i)

According to the Brazilian legislation, some instruments types have specificities that turns them compulsory or not to be settled in the CSD.

275 G11Q006

(ii) safekeep in your CSD:

PFMI: n/a

AGC: 27a. (ii)

According to the Brazilian legislation, some instruments types have specificities that turns them compulsory or not to be safekeeping in the CSD.

276 G11Q007

Please list the instrument types for which it is not compulsory by market practice to: (i) settle in your CSD

PFMI: n/a

AGC: 27b. (i)

According to the Brazilian market practice, some instruments types have specificities that turns them compulsory or not to be settled in the CSD.

277 G11Q008

(ii) safekeep in your CSD:

PFMI: n/a
AGC: 27b. (ii)

According to the Brazilian market practice, some instruments types have specificities that turns them compulsory or not to be safekeeping in the CSD.

278 G11Q009

Settlement and Safekeeping Percentages 28a Please list by instrument type the percentage of the total market in your jurisdiction (either volume or value) settled within your institution, exclusive of your links with third parties.

PFMI: n/a
AGC: 28 28a

279 G11Q010

Please list by instrument type the percentage of the total market in your jurisdiction (either volume or value) held in safekeeping within your institution.

PFMI: n/a
AGC: 28b.

281 G11Q012

In the event a participant's single or main account is blocked for any reason (e.g., insolvency, penalties, violations, liens), would securities held in any account or accounts on behalf of the participant's clients be accessible: By the participant's clients?

PFMI: Q.11.1.1
AGC: 44a

Yes [A01]

282 G11Q013

If yes, please describe briefly how clients of participants would access their securities and whether there would be any delay in their ability to do so:

PFMI: Q.11.1.1
AGC: 44b

In the eventuality of any of these events, final beneficiary investors can still visualize their position accounts in the CSD through a investors website managed by B3 (CEI - http://www.b3.com.br/pt_br/produtos-e-servicos/central-depositaria/canal-com-investidores/cei). Depending on the scenario a third party institution or person (legally appointed by the local regulator or by the FMI depending on the scenario) will act in the place of the blocked participant and receive the commands of the investors related to the transfer and settlement of securities in their CSD accounts. The delay depends on the time to accomplish the required procedures.

283 G11Q014

By the intervening authorities controlling insolvency or other proceedings?

PFMI: Q.11.1.1
AGC: 44d.

Yes [A01]

284 G11Q015

If yes, please describe briefly under what conditions access would be granted to the intervening authorities:

PFMI: Q.11.1.1
AGC: 44e.

Depending on the type of intervention a team chosen by the Brazilian Central Bank will be appointed to manage the custody accounts. Transfers or settlement related to the final beneficial owner securities are performed only with consent of the investor or by the team of the regulator in given scenarios always pursuing to preserve the investor rights and property.

285 G11Q016
By the participant's creditors?

PFMI: Q.11.1.1
AGC: 44g, 44i

No [A02]

286 G11Q017
If yes, please describe briefly under what conditions access would be granted to the participant's creditors:

PFMI: Q.11.1.1
AGC: 44h

287 G11Q018
By the CSD's creditors?

PFMI: Q.11.1.1
AGC: 44j.

No [A02]

288 G11Q019
If yes, please describe briefly under what conditions access would be granted to the CSD's creditors:

PFMI: Q.11.1.1
AGC: 44k.

289 G11Q020
What is your document and record retention policy for documents and records described above in this section?

PFMI: Q.11.1.1
AGC: 47, 47a

5 years [A04]

290 G11Q021
Does the law protect participant assets from claims and liabilities of the CSD?

PFMI: Q.11.1.1
AGC: 54

Yes [A01]

291 G11Q022
Can the CSD assess a lien on participant accounts? (A lien would entitle the CSD to take and hold or sell the securities of the participant in payment of a debt.)

PFMI: Q.11.1.1
AGC: 55

Yes [A01]

292 G11Q023
If yes, for what reasons are liens or similar claims imposed?

PFMI: Q.11.1.1
AGC: 55a

- Fees and expenses
- Collateralization of overdrafts
- To secure payment for purchased securities
- OTHER: B3, acting as a CCP and CSD, assess a lien to securities posted as collateral by participants (Clearing Agents) in order to cover risks related to transactions carried out in the equity cash and derivatives markets where B3 acts as a CCP for the transactions. The collateral is segregated from the other securities held at B3 depository service.

293 G11Q024
Please describe:

PFMI: Q.11.1.1
AGC: 55b

Under a participant instruction, the securities are assessed to a lien to cover the risk of a specific transaction. B3, acting as a Central Counterparty (CCP), also assess a lien to securities posted as collateral by participants (Clearing Agents) in order to cover risks related to transactions carried out in the cash and derivatives markets. The collateral is segregated from the other securities held at B3 depository service.

294 G11Q025
Please indicate the limits of this lien as indicated below:

PFMI: Q.11.1.1
AGC: 55c

The lien is limited to securities in the participant's proprietary account [A01]

295 G11Q026
Please explain:

PFMI: Q.11.1.1
AGC: 55d

296 G11Q027
If a lien is placed on a participant's account which has been designated for its clients, will the CSD select certain securities to be subject to the lien?

PFMI: Q.11.1.1
AGC: 55e

Yes [A01]

297 G11Q028

If yes, please indicate whether:

*PFMI: Q.11.1.1**AGC: 55f*

The lien is placed on the most liquid securities in the account [A01]

298 G11Q029

Please explain:

*PFMI: Q.11.1.1**AGC: 55g*

The most liquid security is placed in the account because it is easier to be monetized.

299 G11Q030

If no, please indicate whether the entire account will be subject to the lien.

*PFMI: Q.11.1.1**AGC: 55h*

300 G11Q031

For accounts designated as client accounts, do procedures exist to restrict the placement of liens only to obligations arising from safe custody and administration of those accounts?

*PFMI: Q.11.1.1**AGC: 55j*

Yes [A01]

301 G11Q032

If yes, are the restrictions accomplished by:

*PFMI: Q.11.1.1**AGC: 55k*

Contract between the CSD and the participant [A01]

302 G11Q033

Please explain:

*PFMI: Q.11.1.1**AGC: 55l*

The account structure at B3 depository is totally segregated at the level of the final investor. Therefore, an investor's account subject to the lien is determined at the level of the final investor. The lien order is determined by the legal entity of the estate/judge of law that already selects the instruments in the account subject to the lien. The lien can be made in the final investor's account (account of the client of the direct participant of the B3's depository services that is identified in the depository) or the lien can be made in the participant's proprietary account in the depository. Direct participants of the B3 depository (depository agents) are allowed to have a proprietary account with its own proprietary securities. If a lien is made in the securities of the depository agent, the securities of its clients will not be affected. The same rationale applies to securities which are object to any other type of lien (say placed as collateral for the B3 CCP). Given the account structure of B3 CSD the securities that are under a lien in the investors account are segregated of those which not have any liens attached to it.

303 G11Q034

Transfer of Legal Ownership. Does the CSD have legal authority to transfer title to securities?

*PFMI: Q.11.1.1**AGC: 56, 56e*

Other: B3's CSD is able to transfer as long as receives a judicial decision commanding this act by B3.

304 G11Q035

When does title or entitlement to CSD securities pass between participants?

*PFMI: Q.11.1.1**AGC: 56a*

305 G11Q036

Please describe:

*PFMI: Q.11.1.1**AGC: 56b*

Transfer is effectively done on real time, when the security passes from the source account to the destination account.

306 G11Q037

Where does title or entitlement to CSD securities pass between participants?

*PFMI: Q.11.1.1**AGC: 56c*

307 G11Q038

Please describe:

*PFMI: Q.11.1.1**AGC: 56d*

For controlling process, the transfer needs to be clearly visible to all parts involved on the transaction. Then, this must happen on the depositary systems, on the registrars systems and on the participants own systems, to reflect what is happening to their clients and investments.

309 G11Q040

In what form does the CSD maintain records identifying the assets of each participant?

*PFMI: Q.11.1.2**AGC: 45*

- Computer file
- Microfiche
- Hard copy
- Computer tape
- OTHER:

310 G11Q041

In which format is the source data maintained?

PFMI: Q.11.1.2

AGC: 45b

Source data is maintained in database format in SQL Server for Listed Segment "BM&F and Bovespa segments" and in Oracle for OTC Segment (Cetip UTM segment).

315 G11Q046

If the securities held with the CSD are recorded by book-entry at the registrar, what are the control features at the registrar for transfer of registrar positions to and from the CSD (e.g., authentication procedures, reconciliation, confirmation of position at registrar)? Please describe:

PFMI: Q.11.1.6

AGC: 52i

In an event of a deposit or withdraw, from the CSD's Systems (CSD Books), B3'a CSD give the registrars a double-checking command to allow the transfer. In addition, the registrars, by the force of the law, must reconcile daily their books positions with the information of CSD's Books.

318 G11Q049

How are CSD eligible securities held by the CSD?

PFMI: Q.11.3.1

AGC: 50, 50a

 In dematerialized form In certificated form OTHER:

320 G11Q051

If CSD eligible securities are certificated, can CSD eligible securities be held outside of the CSD?

PFMI: Q.11.3.2

AGC: 51

Certain designated securities may be held outside the CSD [A04]

321 G11Q052

If certain designated securities are held outside the CSD, please indicate under which conditions these securities would be held outside the CSD:

PFMI: Q.11.3.2

AGC: 51a

The physical certificates are held outside the depository with the participants performing their respective registration at B3' CSD. These participants must have a destined place to maintain the securities, including a vault or hire a third-party for the this function. For both situations B3 imposes guidelines and a formal certification process to qualify all participants which intend to perform the safekeeping of the physical certificates. Periodically, they are audited by BM&FBOVESPA Supervisão de Mercados (the market supervision entity and member of the B3 Group) to ensure the procedures are being fulfilled.

322 G11Q053

If CSD eligible securities are required to be centrally immobilized at the CSD, where and with whom are the certificates safekept? (then please answer 51c)

PFMI: Q.11.3.2
AGC: 51b

323 G11Q054
Are these certificates:

PFMI: Q.11.3.2
AGC: 51c

- Bearer
 Registered
 OTHER:

324 G11Q055
If registered, how are the CSD eligible securities registered?

PFMI: Q.11.3.2
AGC: 51d

- In the name of the CSD
 In the name of the depositing participant or its nominee
 In the name of a separate nominee of the CSD
 OTHER: Deposited through book entry at B3's CSD in the name of the final investors. After the procedure of endorsement the physical certificates has B3 as a fiduciary owner.

325 G11Q056
If in the name of a separate nominee, please identify by name the nominee used:

PFMI: Q.11.3.2
AGC: 51f

326 G11Q057
If CSD eligible securities may be held either in or out of the CSD, are these certificates:

PFMI: Q.11.3.2
AGC: 51h

327 G11Q058
What are the control features for receipt of certificates to the CSD (e.g., authentication procedures, re-registration)? Please describe:

PFMI: Q.11.3.2
AGC: 51i

328 G11Q059
If securities are dematerialized: May dematerialized security positions be re-certificated and held outside the CSD?

PFMI: Q.11.3.2
AGC: 52

No [A02]

329 G11Q060
Are the securities held:

PFMI: Q.11.3.2
AGC: 52a, 52k

- Through book-entry at the CSD
- Through book-entry at a registrar or issuer
- OTHER:

330 G11Q061
Please identify which types of entities may act as registrars:

PFMI: Q.11.3.2
AGC: 52b

- Issuers
- Separate companies that perform registrar functions
- CSD
- OTHER: Explanatory Note: The separated companies above mentioned are banks specialized in rendering this kind of service for issuers. Most of them also performs custodian functions.

331 G11Q062
If the securities held by the CSD are recorded by book entry at the registrar, are the securities registered only to the CSD, with the CSD providing the function of recording ownership on a centralized basis for the market?

PFMI: Q.11.3.2
AGC: 52d

Yes [A01]

332 G11Q063
If yes, how are securities held at the registrar for the account of the CSD?

PFMI: Q.11.3.2
AGC: 52e

Other: In the name of the CSD as a fiduciary owner.

333 G11Q064
Please describe:

PFMI: Q.11.3.2
AGC: 52f

The CSD acts as a Fiduciary Owner. Further, the Depository held the assets in the name of the final investors.

334 G11Q065
If the securities held with the CSD are recorded by book-entry at the registrar but are not registered exclusively to the CSD, may they be registered to:

PFMI: Q.11.3.2

AGC: 52g

335 G11Q066
Please describe:

PFMI: Q.11.3.2
AGC: 52h

338 G11Q069

Does the CSD accept liability (independent of any insurance coverage) for the following: Reconciliation errors with the registrar and/or the issuer that result in direct damages or losses to participants?

PFMI: Q.11.4.1
AGC: 66, 66a, 66d

Yes [A03]

339 G11Q070

If yes, please check all of the following that apply:

PFMI: Q.11.4.1
AGC: 66b 66c

- Financial limits are imposed on the amount of liability assumed by the CSD
- The CSD assumes liability for direct losses
- The CSD assumes liability for indirect or consequential losses
- OTHER:

340 G11Q071

Theft of securities (either physical certificate or electronically from accounts at the CSD) from the CSD that results in direct damages or losses to participants?

PFMI: Q.11.4.1
AGC: 66e, 66g, 66h

Other: Yes, but B3 must be proved responsible for the loss of participant assets. Due to theft of securities, B3 will assume liability.

341 G11Q072

If yes, please check all of the following that apply:

PFMI: Q.11.4.1
AGC: 66f

- Financial limits are imposed on the amount of liability assumed by the CSD
- The CSD assumes liability for direct losses
- The CSD assumes liability for indirect or consequential losses
- OTHER:

342 G11Q073

Failure of the CSD's systems that result in direct damages or losses to participants because they cannot use either securities or funds?

PFMI: Q.11.4.1
AGC: 66i, 66l.

Other: Yes, but B3 must be proved responsible for the loss of participant assets. Due to theft of securities, B3 will assume liability.

343 G11Q074

If yes, please check all of the following that apply:

PFMI: Q.11.4.1
AGC: 66j, 66k

- Financial limits are imposed on the amount of liability assumed by the CSD
- The CSD assumes liability for direct losses
- The CSD assumes liability for indirect or consequential losses
- OTHER:

344 G11Q075

Any direct damages or losses to participants caused by the CSD due to its errors, omissions or fraud?

PFMI: Q.11.4.1
AGC: 66m, 66p.

- Yes
- No
- Not applicable
- OTHER: Yes, but B3 must be proved responsible for the loss of participant assets. Due to theft of securities, B3 will assume liability.

345 G11Q076

If yes, please check all of the following that apply:

PFMI: Q.11.4.1
AGC: 66n.

- Financial limits are imposed on the amount of liability assumed by the CSD
- The CSD assumes liability for direct losses
- The CSD assumes liability for indirect or consequential losses
- OTHER:

347 G11Q078

Is the CSD immune from legal action in its own jurisdiction?

PFMI: Q.11.4.2
AGC: 68

No [A02]

349 G11Q080

Does the CSD have Fidelity insurance (that is, insurance to cover loss of securities or money resulting, for example, from acts such as forgery, theft, fraud and/or employee dishonesty)?

PFMI: Q.11.4.3
AGC: 92

Yes [A01]

350 G11Q081
What is the amount of the coverage?

PFMI: Q.11.4.3
AGC: 92a.

R\$ 415.000.000,00 (BRL).

351 G11Q082
What is the amount of the deductible?

PFMI: Q.11.4.3
AGC: 92b.

352 G11Q083
Does the CSD have insurance for Operational Errors?

PFMI: Q.11.4.3
AGC: 93

Other: No. However, B3 has an investor compensation mechanism (local acronym MRP) managed by BSM to ensure that investors, are compensated for losses resulting from operating errors by participants when intermediating transactions performed on the exchange or providing custody services.

353 G11Q084
What is the amount of the coverage?

PFMI: Q.11.4.3
AGC: 93a.

354 G11Q085
What is the amount of the deductible?

PFMI: Q.11.4.3
AGC: 93b.

355 G11Q086
Does the CSD have Errors and Omissions insurance?

PFMI: Q.11.4.3
AGC: 94

Other: No, but it is in a hiring process. However, B3 has an investor compensation mechanism (local acronym MRP), managed by BSM, established in accordance with CVM Instruction 461/07 to ensure that investors are compensated for losses resulting from action or omission attributable to users of its markets in the course of trading, brokerage and custody activities.

356 G11Q087
What is the amount of the coverage?

PFMI: Q.11.4.3
AGC: 94a.

357 G11Q088
What is the amount of the deductible?

PFMI: Q.11.4.3
AGC: 94b.

358 G11Q089
Does the CSD have insurance for the Premises?

PFMI: Q.11.4.3
AGC: 95

Yes [A01]

359 G11Q090
What is the amount of the coverage?

PFMI: Q.11.4.3
AGC: 95a.

R\$223.810.000,00 (BRL).

360 G11Q091
What is the amount of the deductible?

PFMI: Q.11.4.3
AGC: 95b.

361 G11Q092
Does the CSD have any other insurance?

PFMI: Q.11.4.3
AGC: 96, 96d

Yes [A01]

362 G11Q093
If so, what is it for?

PFMI: Q.11.4.3
AGC: 96a.

Infrastructure in general, works of arts and civil liability.

363 G11Q094
What is the amount of the coverage?

PFMI: Q.11.4.3
AGC: 96b.

364 G11Q095
What is the amount of the deductible?

PFMI: Q.11.4.3
AGC: 96c.

365 G11Q096
Who is the insurance carrier? If more than one insurance carrier, please list each carrier here and provide your responses to questions 97a and 97b in corresponding order.

PFMI: Q.11.4.3
AGC: 97

This information is confidential

366 G11Q097
Who is the insurance carrier's parent company, if applicable? (If inapplicable, simply type n/a.)

PFMI: Q.11.4.3
AGC: 97a.

This information is confidential

367 G11Q098
What is the term of the policy?

PFMI: Q.11.4.3
AGC: 97b.

It comprehends fire and electric lines, for both principal and contingency unities, works of art, Civil responsibility.

368 G11Q099
Who does the insurance cover?

PFMI: Q.11.4.3
AGC: 97c, 97d

- CSD
- Direct CSD participants
- Final investors
- Not applicable
- OTHER: Be as an integrated company owns the responsibility to contract insurance services.

369 G11Q100
If you feel that you would like to provide additional details on any of the given answers, feel free to provide any additional comments here (maximum of 5,000 characters) or prepare an additional document identifying the question(s) you are commenting on and upload the document under 98a:

PFMI: Q.11.4.3
AGC: 98

370 G11Q101
filecount - Upload document here:

PFMI: Q.11.4.3
AGC: 98a.

0

371 G11Q102

Do the CSD's written contracts, rules, or established practices and procedures provide protection against risk of loss of participant assets by the CSD in the form of indemnification?

*PFMI: Q.11.4.3**AGC: 67a, 67b.*

- Yes
- No
- Not applicable
- OTHER:

372 G11Q103

Please explain (then please answer 67c):

*PFMI: Q.11.4.3**AGC: 67b.*

B3 has procedures, contracts, internal rules and headlines to protect the investors against the risks of loss and to prevent any damage to the participants and investors in the CSD.

373 G11Q104

Please provide details of the relevant sections of the contracts, rules or practices where this information is found

*PFMI: Q.11.4.3**AGC: 67c.*

374 G11Q105

Insurance

*PFMI: Q.11.4.3**AGC: 67d.*

- Yes
- No
- Not applicable
- OTHER:

375 G11Q106

Please explain (then please answer 67f):

*PFMI: Q.11.4.3**AGC: 67e.*

376 G11Q107

Please provide details of the relevant sections of the contracts, rules or practices where this information is found

*PFMI: Q.11.4.3**AGC: 67f.*

377 G11Q108
Acknowledgement of liability for losses caused by CSD's own actions.

PFMI: Q.11.4.3
AGC: 67g.

378 G11Q109
Please explain (then please answer 67i):

PFMI: Q.11.4.3
AGC: 67h.

379 G11Q110
Please provide details of the relevant sections of the contracts, rules or practices where this information is found.

PFMI: Q.11.4.3
AGC: 67i.

380 G11Q111
Other

PFMI: Q.11.4.3
AGC: 67j.

381 G11Q112
Please explain (then please answer 67i):

PFMI: Q.11.4.3
AGC: 67k.

382 G11Q113
Please provide details of the relevant sections of the contracts, rules or practices where this information is found.

PFMI: Q.11.4.3
AGC: 67l.

384 G11Q115
Are participants permitted to maintain more than one account at the CSD?

PFMI: Q.11.5.1
AGC: 41

Yes [A01]

385 G11Q116
If yes, please indicate number:

PFMI: Q.11.5.1
AGC: 41a, 41c

An unlimited number of accounts

More than one account

OTHER:

386 G11Q117

If more than one account what is the maximum?

PFMI: Q.11.5.1

AGC: 41b

388 G11Q119

Are participants required/permitted to segregate assets held for their own benefit from those they hold for their clients?

PFMI: Q.11.5.2

AGC: 42

Yes

No

Not applicable

OTHER:

389 G11Q120

If yes, is segregation required or simply permitted?

PFMI: Q.11.5.2

AGC: 42a

Required [A01]

390 G11Q121

How does segregation occur?

PFMI: Q.11.5.2

AGC: 42b, 42c

By separately designated participant accounts.

By sub-accounts within a single participant account.

By separately designated beneficial owner accounts.

OTHER:

391 G11Q122

Does the CSD permit its participants to open accounts in the participant's own nominee name(s)?

PFMI: Q.11.5.2

AGC: 43, 43b

Yes [A01]

392 G11Q123

If yes, do laws exist, which define as well as protect the rights of beneficial owners with respect to securities registered in nominee name?

PFMI: Q.11.5.2
AGC: 43a

Yes [Y]

393 G11Q124

Does the CSD maintain records that identify the assets of each participant and segregate the system's own assets from the assets of participants?

PFMI: Q.11.5.2
AGC: 53, 53a

- Yes
- No
- Not applicable
- OTHER:

395 G11Q126

Please indicate services you provide.

PFMI: Q.11.6.1
AGC: 35

- Own list or: AGC: Information in advance on corporate (annual or special) meetings in order that owners can vote.
- Tax assistance where foreign holders may be entitled to tax relief at source or through a claim.
- In order to avoid fails, an automatic securities lending facility - if requested - is provided for.
- Collateral handling in support of activities including securities lending, overdraft coverage, cash management, repurchase agreements, etc.
- Same day turnaround settlements.
- Information on distribution of new issues (IPO, Privatization).
- Not applicable
- OTHER:

396 G11Q127

Automatic securities lending facility is provided for:

PFMI: Q.11.6.1
AGC: 35a

- Brokers
- Banks
- Other financial institutions
- OTHER: The service is provided for the final investors, through their depository agents (custodians (for lenders) and brokers (for borrowers)). In Brazil, this service is centralized in B3, following the current legal framework.

397 G11Q128

If collateral handling, please provide details

PFMI: Q.11.6.1
AGC: 35c

B3, as a complete infrastructure, does provide the collateral handling solutions to the market. The company clears and settles more than 90% of total trading volume on B3's markets. The benefits of integration and the new risk model include: (i) cost savings (via standardisation of rules, processes and systems, as well as more automation of operating routines); (ii) enhanced liquidity management (thanks to the establishment of a single settlement window); and (iii) more efficient capital allocation by participants, including customers (due to the integrated risk model and single collateral pool). B3's clearing, settlement and CCP services, provide a single set of rules, a single participant structure, a single registration system, a single process for allocation/position control/clearing/settlement, a single risk management system, and a single safeguard structure.

398 G11Q129
Other, please explain:

PFMI: Q.11.6.1
AGC: 35d

The final investors, through their depository agents (custodians (for lenders) and brokers (for borrowers)). In Brazil, this service is centralized in B3, following the current legal framework.

399 G11Q130
What procedures are in place for the processing of corporate action entitlements?

PFMI: Q.11.6.1
AGC: 36

- Credited to the securities account on the day indicated below regardless of whether actually collected by the CSD on the scheduled date.
- Credited to the securities account upon actual receipt by the CSD.
- Corporate action entitlements are handled by an entity separate from the CSD.
- Not applicable
- OTHER:

400 G11Q131
Credited to the securities account:

PFMI: Q.11.6.1
AGC: 36a

- On pay date.
- On pay date +1.
- On pay date +2.
- OTHER:

401 G11Q132
Name of entity:

PFMI: Q.11.6.1
AGC: 36c

402 G11Q133

What procedures are in place for the processing of interest and dividends?

*PFMI: Q.11.6.1**AGC: 37, 37d.*

- Credited to the cash account on the day indicated below regardless of whether actually collected by the CSD on the scheduled date.
- Credited to the cash account upon actual receipt by the CSD.
- Income and dividend collection is handled by an entity separate from the CSD.
- Not applicable
- OTHER:

403 G11Q134

Credited to the cash account:

*PFMI: Q.11.6.1**AGC: 37a*

- On pay date.
- On pay date +1.
- On pay date +2.
- OTHER:

404 G11Q135

Name of entity:

*PFMI: Q.11.6.1**AGC: 37c***Exchange-of-value settlement systems (PFMI Principle 12)**

409 G12Q003

Does the CSD guaranty settlement?

*PFMI: Q.12.1.1**AGC: 66u.*

Yes [A02]

410 G12Q004

Please explain how this is accomplished. What are the procedures and safeguards that permit the CSD to guaranty settlement?

*PFMI: Q.12.1.1**AGC: 66v.*

For on-exchange transactions, counterparty exposure is concentrated against B3 arising from its role as central counterparty for the BOVESPA markets plus its role as principal in securities lending/borrowing. It uses DVP principles to limit the risk of loss of principal during settlement. As a central counterparty, it adopts a hybrid loss sharing model combining collateralisation ('defaulter pays') and mutualisation

('survivors pay') through a Settlement Fund. Operational limits for clearing participants are fixed according to posted collaterals calculated by the B3's RiskWatch system for regular settlement cycles, which includes equities, fixed income instruments, equities derivatives and securities lending transactions, and by the system CM-TIMS for open positions in equities derivatives markets and in the securities lending program.

412 G12Q006

The Committee on Payment and Settlement Systems of the Bank for International Settlements (BIS) has identified three common structural approaches or models for linking delivery and payment in a securities settlement system. Please indicate which model your procedures most closely resemble.

PFMI: Q.12.1.2

AGC: 48

- Model1
- Model2
- Model3
- Not applicable
- OTHER:

413 G12Q007

Please briefly describe your settlement process, including how do your settlement procedures vary from the model chosen above?

PFMI: Q.12.1.3

AGC: 48a

ON BM&FBOVESPA segment, there are different treatments to each kind of securities. For equities, the net settlement cycle for equities is T+2. After the trade, an overnight batch process generates provisional trade clearing reports to the broker all the mornings (T+1, T+2 and T+3). The Securities and Exchange Commission of Brazil requires the settlement of all trades at the investor level and brokers have until 8:30 p.m. on T+0, for resident investors, and until 3 p.m. on T+1 for non-resident investors to provide settlement instructions for equities at the investor level (allocation process). Additionally, brokers can identify the custodian account for settlement if different from ones under their own responsibility and the custodian must confirm these instructions by 9:00pm on T+1. For equities settlement, after the completion of the transfer of securities to B3's transitory settlement account at the depository at 11:00am T+2, B3 informs the clearing agents of their net obligations and receivables at 12:00 am T+2. At 2 p.m. of the settlement date, these clearing members receive the final and consolidated balance of their credits/debits after a second netting process calculated across instruments, involving equities, equities' derivatives and corporate bonds (see further details below). The payment of the clearing members' obligations (through their settlement banks) must be made in Central Bank Money until 2:50 pm, to the B3 transitory account at STR (Central Bank Money Transfer System). The final settlement occurs at 3:50 pm when securities are irrevocably transferred from the transitory account of B3 in its depository service to the creditor's accounts in the depository (at the level of the investor) and funds are transferred from the B3 Central Bank transitory settlement account in STR to the clearing agents' settlement banks accounts. The DVP is entirely coordinated by B3. Although the cash payments occur through STR (the Central Bank Money Transfer System), in any moment the Brazilian Central Bank coordinates the process. Also, in the case of gross settlement the SFI-DVP is entirely coordinated by B3 and the cash obligations are paid in the settlement date (that can vary according to the type of operation) and in Central Bank Money. For gold: The net settlement cycle for gold is T+1. On the settlement date at 2 p.m. the clearing members receive the final and consolidated balance of their credits/debits after a second netting process calculated across instruments, involving gold. The payment of the clearing members' obligations (through their settlement banks) must be made in central bank money until 2:50 pm, to the B3 transitory account at STR (Central Bank Money Transfer System). For Corporate Bonds: For corporate bonds, B3 also performs a DVP settlement model 3 and a DVP model 1. For this kind of instrument, the participant can choose three settlement cycles, chosen at the trade environment: 1. T+0 on a net basis: The trading of corporate bonds ends at 11:45pm and the allocation process occurs until 12:30pm. Clearing agents have until 01:00pm to deliver the corporate

bonds. At 2:00 pm of the settlement date a message is sent to the clearing agents' settlement banks through the National Financial System Net (RSFN) with the net cash positions in equities, equities' derivatives and corporate bonds. The payment of the clearing members' obligations (through their settlement banks) must be made in Central Bank Money until 2:50 pm, to the B3 transitory account at STR (Central Bank Money Transfer System). The final settlement occurs at 3:50 pm when securities are irrevocably transferred from the transitory account of B3 in its depository service to the creditor's accounts in the depository (at the level of the investor) and funds are transferred from the B3 Central Bank transitory settlement account in STR to the clearing agents' settlement banks accounts. 2. T+1 on a net basis: The trading of corporate bonds finishes at 5:00pm of T+0 and the allocation process occurs until 8:00 pm of the trading date. The corporate bonds are delivered to B3 depository accounts at 01:00 pm of T+1. At 2:00 pm of the settlement date a message is sent to the clearing agents' settlement banks through the National Financial System Net (RSFN) with the net cash positions in equities, equities' derivatives and corporate bonds. The payment of the clearing members' obligations (through their settlement banks) must be made in Central Bank Money until 2:50 pm of T+1, to the CSD transitory account at STR (Central Bank Money Transfer System). The final settlement occurs at 3:50 pm of T+1 when securities are irrevocably transferred from the transitory account of B3 in its depository service to the creditor's accounts in the depository (at the level of the investor) and funds are transferred from the B3 Central Bank transitory settlement account in STR to the clearing agents' settlement banks accounts. 3.T+0 on a gross real-time basis: The settlement occurs in a gross-real time basis until 6:00pm T+0. Also, in the case of gross settlement, the SFI-DVP is entirely coordinated by B3 and the cash obligations are paid in the settlement date in central bank money. For Fixed Income Securities Asset commitment periods for sales settling in the RTGS system are maximized at 30 minutes provided sellers are prepared to unilaterally cancel transactions if the countervalue has not been made available within that timeframe. Asset commitment exposure may be extended if the transaction is not cancelled, but this is the seller's choice, and hence their own risk. The asset commitment period for purchases is negligible (a matter of minutes) since securities must be positioned in the system by the seller as a condition for the transaction being matched for settlement. Consequently, as soon as the purchaser pays away funds, the securities countervalue should settle immediately.

On Cetip segment, B3's Clearing house has 3 settlement cycles: 1) Netting: Issuer's operation risk. The operations must be included until 11:20 a.m.. B3 sends a message called LDL0001 to the debtor with the financial amount due until 11:25 a.m.. From 11:25 a.m. and before 12:05 p.m. the confirmation of the due is done by the sent message called LDL0003 from the debtor. The payment is done to BCB from 12:05 p.m. until before 12:30 p.m. by a message sent by the debtor called LDL0004. The operation is finalized between 15:45p.m. and 12:55p.m. when the financial credit is transferred from BCB to the settlement bank by a message called LDL0005. 2) Bilateral STR (derivatives only): The operations may be included in this cycle until 11 a.m.. B3 sends a message called LDL0001 to the debtor at 11:05 a.m.. The acceptance or the refusal of the financial due is done by the message LDL0002 by the debtor from 11:05a.m. until before 1:55a.m.. The payment is done to BCB by the message LDL0004 sent by the debtor to BCB from 11:05 a.m. until before 11:55 a.m.. 3) Gross-STR: all operations may be done from 8:00a.m. until 17:40 p.m.. After the inclusion and the confirmation by both parts in the operation, the financial due is sent by a message called LTR0001. This message must be accepted or refused by a message LTR0002 until 17:40 p.m. and the operations is settled until 17:45 p.m. by the message LTR0004. After the payment, a message (LTR0005) is sent to confirm the credit of the financial value. If the settlement bank is the same in both parts of the trade, it must be launched by LTR0007 and accepted or refused by the message LTR0008 until 19:2 0 p.m.. All trades happen via a set communication system called STR (Sistema de Transferência de Reservas), a Brazilian Central Bank Money Transfer System, among all participants, including settlement banks, B3 (by its clearing house) and the Brazilian Central Bank (BCB).

416 G12Q010

Are the cash and security movements simultaneous?

PFMI: Q.12.1.3

AGC: 49

Yes [A01]

417 G12Q011

If cash and security movements are not simultaneous, please indicate the duration of the timing gap

PFMI: Q.12.1.3

AGC: 49a

Participant default rules and procedures (PFMI Principle 13)

422 G13Q004

During the past three years, has there been a situation where a participant defaulted which resulted in a significant loss?

*PFMI: Q.13.1.2**AGC: 77*

No [A02]

423 G13Q005

How was the situation resolved? Or if you answered "Other," then please explain:

*PFMI: Q.13.1.2**AGC: 77a*

424 G13Q006

Does the stock exchange have default protections that extend to the CSD, such as the following?

*PFMI: Q.13.1.2**AGC: 80*

- Margin requirements for stock exchange members
- Guaranty fund for stock exchange members
- Financial requirements for stock exchange membership
- No
- Not applicable
- OTHER:

425 G13Q007

Please explain:

*PFMI: Q.13.1.2**AGC: 80a*

B3 acts as a CCP and in a critical scenario of a participant default, B3 has procedures intended to this issue. B3's clearinghouse has safeguards that include settlement funds, access to liquidity assistance facilities, and indirect access to BCB's discount window via B3 Bank, as well as B3 own cash reserves dedicated to the clearinghouses. B3's cash reserves dedicated to the clearinghouses and the funds that constitute B3's contribution to the settlement funds must be invested in accordance with the restrictions imposed by B3's Financial Investment Policy to assure the immediate availability of funds. Otherwise, has financial requirements to able a participant to act in its markets. B3's CSD will consequently be protected and would participate of this process ensuring the maintenance of the positions until the procedures are over.

428 G13Q010

Participant Default Protections Resulting from a Participant Failure. If a participant defaults, how is the loss covered? (Choose all that apply?)

*PFMI: Q.13.1.4**AGC: 76, 76d*

- CSD insurance covers the loss
- The CSD guaranty fund covers the loss

- Loss is shared among participants
- Not applicable
- OTHER: For listed equities securities the B3 CSD Depository insurance covers the loss. Besides that, B3 acts as a CCP and in a critical scenario of a participant default, B3 has procedures intended to this issue.

429 G13Q011
Please explain the process:

PFMI: Q.13.1.4
AGC: 76a

430 G13Q012
Please explain the process of how the loss is shared:

PFMI: Q.13.1.4
AGC: 76b

431 G13Q013
Please explain:

PFMI: Q.13.1.4
AGC: 76d

B3's clearinghouse has safeguards that include settlement funds, access to liquidity assistance facilities, and indirect access to BCB's discount window via B3 Bank, as well as B3 own cash reserves dedicated to the clearinghouses. B3's cash reserves dedicated to the clearinghouses and the funds that constitute B3's contribution to the settlement funds must be invested in accordance with the restrictions imposed by B3's Financial Investment Policy to assure the immediate availability of funds. Otherwise, has financial requirements to able a participant to act in its markets. B3's CSD will consequently be protected and would participate of this process ensuring the maintenance of the positions until the procedures are over. See more in: BM&FBOVESPA Clearinghouse Rulebook, Title II – The Clearinghouse's Operations as Central Counterparty, Chapter V – Failure to Discharge Obligations; Chapter IV – Risk Management; BM&FBOVESPA Clearinghouse Risk Management Manual, Chapter 2 – Procedures for a default or operational defaulter event.

General business risk (PFMI Principle 15)

441 G14Q002
Is a financial audit performed by an Audit Firm, Regulatory Authority, or other external party?

PFMI: Q.17.2.3
AGC: 15

Yes [Y]

442 G14Q003
If yes, please state the name(s) of the entity(ies) who perform the financial audit.

PFMI: n/a
AGC: 15a.

Ernst & Young

443 G14Q004
Please list the date of your last financial audit performed by an Audit Firm, Regulatory Authority, or other external

party:

PFMI: n/a
AGC: 15b.

02/04/2019

444 G14Q005

Please list the period that the audit covered:

PFMI: n/a
AGC: 15c.

Start date: 01/01/2018
End date: 31/12/2018

445 G14Q006

How frequently does the financial audit occur?

PFMI: n/a
AGC: 15d.

Annually [A02]

446 G14Q007

If less than annually, please explain:

PFMI: n/a
AGC: 15e.

447 G14Q008

Please select the statement that most accurately characterizes the results of the last financial audit:

PFMI: n/a
AGC: 15g.

No material exceptions found. [A01]

448 G14Q009

If minor or material exceptions were found, what actions were taken? Please describe:

PFMI: n/a
AGC: 15h.

449 G14Q010

Has there been any material loss by the CSD during the past three years?

PFMI: n/a
AGC: 86

No [A02]

450 G14Q011

If there has been a loss, please describe the cause, the final impact and the action taken to prevent a recurrence:

PFMI: n/a
AGC: 86a.

451 G14Q012

Has the CSD been subject to any litigation involving a participant during the past three years?

PFMI: n/a

AGC: 87

No [A02]

452 G14Q013

Please explain the circumstances and resolution:

PFMI: n/a

AGC: 87a.

453 G14Q014

Has the CSD realized revenues sufficient to cover expenses during the past three years?

PFMI: n/a

AGC: 88, 88a

Yes for all three years [A01]

454 G14Q015

Has any participant suffered any losses in the past three years due to the CSD's performance?

PFMI: n/a

AGC: 30, 30m

No [A02]

455 G14Q016

If yes, please select all of the following in which loss has occurred. You will be prompted to enter the number of instances and total loss in USD thereafter.

PFMI: n/a

AGC: 30a, 30j

- Corporate Action
- Settlement Process - Securities
- Settlement Process - Cash
- System Outage
- OTHER:

456 G14Q017

Corporate Action. Please specify number of instances:

PFMI: n/a

AGC: 30b.

457 G14Q018

Corporate Action. Please specify total loss in USD:

PFMI: n/a

AGC: 30c.

458 G14Q019

Settlement Process - Securities. Please specify number of instances:

PFMI: n/a

AGC: 30d.

459 G14Q020

Settlement Process - Securities. Please specify total loss in USD:

PFMI: n/a

AGC: 30e.

460 G14Q021

Settlement Process - Cash. Please specify number of instances:

PFMI: n/a

AGC: 30f.

461 G14Q022

Settlement Process - Cash. Please specify total loss in USD:

PFMI: n/a

AGC: 30g.

462 G14Q023

System Outage. Please specify number of instances:

PFMI: n/a

AGC: 30h.

463 G14Q024

System Outage. Please specify total loss in USD:

PFMI: n/a

AGC: 30i.

464 G14Q025

For Other, please specify number of instances:

PFMI: n/a

AGC: 30k.

465 G14Q026

For Other, please specify total loss in USD:

PFMI: n/a

AGC: 30l.

469 G14Q030

Does the CSD maintain a reserve for operating losses?

*PFMI: Q.15.2.1**AGC: 89, 89b*

No [A02]

472 G14Q033

Please describe and indicate reserve (for operating losses) amount:

*PFMI: Q.15.2.2**AGC: 89a.***Custody risk (PFMI Principle 16)**

486 G15Q003

Are there any activities performed by a third party on behalf of the CSD for the CSD participants (e.g., vaulting of physical securities, registration, entitlement processing, etc.)?

*PFMI: Q.16.1.1**AGC: 29, 29i* Yes No Not applicable OTHER:

487 G15Q004

If third parties are employed, please indicate which services they supply:

*PFMI: Q.16.1.1**AGC: 29a.*

Vaulting of physical securities.

488 G15Q005

If third parties are employed, does the CSD assume liability for losses incurred by participants as a result of the actions/inactions of the third parties?

*PFMI: Q.16.1.1**AGC: 29b.*

No [N]

489 G15Q006

If you acknowledge responsibility, please indicate whether your responsibility is assumed

*PFMI: Q.16.1.1**AGC: 29c, 29e.* regardless of whether such loss was caused by any action or inaction of the agent if such loss was caused by the agent's action or inaction and such action or inaction was deemed to be

negligence on the part of the agent

- if such loss was caused by the agent's action or inaction and such action or inaction was deemed to be gross negligence on the part of the agent
- if the loss was caused by the willful default or other willful conduct on the part of the agent
- OTHER:

490 G15Q007

If you acknowledge responsibility for agents, your responsibility is assumed for losses

PFMI: Q.16.1.1
AGC: 29d, 29h.

- without limit
- which are not consequential losses
- subject to a monetary limit not based on insurance limits
- subject to a monetary limit based on insurance limits
- OTHER:

491 G15Q008

Please specify limit:

PFMI: Q.16.1.1
AGC: 29f.

492 G15Q009

Please specify limit:

PFMI: Q.16.1.1
AGC: 29g.

497 G15Q014

Please describe briefly the arrangements / procedures / facilities you maintain to ensure that eligible securities held at the CSD are handled at least as efficiently as compared to securities held outside the CSD, particularly in relation to income, corporate actions and proxy services.

PFMI: Q.16.3.1
AGC: 62

The rules and procedures that guarantee these arrangements/procedures/facilities are periodically revisited and are foreseen at the B3 bylaws and B3's Depository bylaws. Besides that, B3 has a formal agreement with the issuers (supported by a rule from the Brazilian Securities Commission) regarding the disclosure of income, corporate action information and proxy services information. Otherwise, B3 has procedures to able a third party doing this service and the participant has to accredit B3's bylaws. The BSM is responsible to audit annually the participants to ensure that they are fulfilling the rules and procedures previously accepted and to give credibility in their services to the market.

Operational risk (PFMI Principle 17)

515 G16Q011

Internal Audit. Is an internal audit undertaken in your CSD?

PFMI: Q.17.2.3
AGC: 14

Yes [Y]

516 G16Q012

If yes, what areas does the audit cover (financials, operations, etc.) and which department in your CSD handles it?

PFMI: Q.17.2.3
AGC: 14a.

The procedures are handled with the objective to evaluate the activities performed by B3 through an evaluation and risk prioritization process method and the Internal audit covers all the existing areas in B3, including: Access Control, participants' identification, trading, securities lending, risk management and collateralization, registration, depository and custody services (including corporate actions), clearance and settlement, information technology and operations. It is undertaken by a specific department named Internal Audit.

517 G16Q013

Please list the date of your last internal audit and the period that the audit covered:

PFMI: Q.17.2.3
AGC: 14b.

Start date: 01/09/2018
End date: 31/05/2019
Audit date: 01/08/2019

518 G16Q014

How frequently does the internal audit occur?

PFMI: Q.17.2.3
AGC: 14c.

Annually [A02]

519 G16Q015

If less than annually, please explain:

PFMI: Q.17.2.3
AGC: 14d.

520 G16Q016

Are the results of the internal audit publicly available?

PFMI: Q.17.2.3
AGC: 14e.

No [N]

521 G16Q017

Please select the statement that most accurately characterizes the results of the last internal audit:

PFMI: Q.17.2.3
AGC: 14f.

No material exceptions found. [A01]

522 G16Q018

If minor or material exceptions were found, what actions were taken? Please describe:

*PFMI: Q.17.2.3**AGC: 14g.*

524 G16Q020

Is an operational audit performed by an Audit Firm, Regulatory Authority, or other external party?

*PFMI: Q.17.2.4**AGC: 16*

Yes [Y]

525 G16Q021

If yes, please state the name(s) of the entity(ies) who perform the operational audit.

*PFMI: Q.17.2.4**AGC: 16a.*

Ernst & Young and Brazilian Central Bank.

526 G16Q022

Please list the date of your last operational audit performed by an Audit Firm, Regulatory Authority, or other external party:

*PFMI: Q.17.2.4**AGC: 16b.*

02/04/2019

527 G16Q023

Please list the period that the audit covered:

*PFMI: Q.17.2.4**AGC: 16c.*

Start date: 01/01/2018

End date: 31/12/2018

528 G16Q024

How frequently does the operational audit occur?

*PFMI: Q.17.2.4**AGC: 16d.*

Annually [A02]

529 G16Q025

If less than annually, please explain:

*PFMI: Q.17.2.4**AGC: 16e.*

530 G16Q026

Please select the statement that most accurately characterizes the results of the last operational audit:

PFMI: Q.17.2.4

AGC: 16g.

No material exceptions found. [A01]

531 G16Q027

If minor or material exceptions were found, what actions were taken? Please describe:

PFMI: Q.17.2.4

AGC: 16h.

538 G16Q034

How is access to the physical building controlled?

PFMI: Q.17.5.1

AGC: 74

- By guards
- By electronic keys
- personal ID card
- By alarm system
- OTHER:

539 G16Q035

Please explain:

PFMI: Q.17.5.1

AGC: 74a.

B3 has permanent surveillance and recording through closed circuit television, guards around and inside the buildings and restricted areas controlled by personal ID cards.

542 G16Q038

Regarding data security: Are passwords used by participants to access their accounts?

PFMI: Q.17.5.3

AGC: 71 71a.

Yes [A01]

543 G16Q039

Does each user have a unique user ID?

PFMI: Q.17.5.3

AGC: 71c.

Yes [A01]

544 G16Q040

Are passwords regularly changed?

PFMI: Q.17.5.3

AGC: 71e.

Yes [A01]

545 G16Q041
How often?

PFMI: Q.17.5.3
AGC: 71f.

Once a month.

546 G16Q042

Is there a user lock-out after a pre-set number of unsuccessful User ID attempts?

PFMI: Q.17.5.3
AGC: 71h.

Yes [A01]

547 G16Q043

How many?

PFMI: Q.17.5.3
AGC: 71i.

After 3 attempts.

551 G16Q047

How quickly can the main system be reactivated in the event of an outage?

PFMI: Q.17.6.2
AGC: 82

Other: In an extreme situation, it may last from 3 minutes to 10 minutes to be reactivated. It is important to highlight that B3 has a Business Continuity Management process that involves plans, including a Business Impact Analysis, and all the processes are mapped and have action plans to mitigate the damage to the market.

554 G16Q050

Will the CSD publicly announce any system interruption?

PFMI: Q.17.6.4
AGC: 84

Yes [A01]

555 G16Q051

To whom will the CSD disclose any system interruptions?

PFMI: Q.17.6.4
AGC: 84a.

- To the CSD regulators
- To all direct participants
- To direct and indirect participants
- To the public via the internet
- In the press
- OTHER:

556 G16Q052

If so, please list webpage address:

PFMI: Q.17.6.4

AGC: 84b.

557 G16Q053

If so, please list all publications:

PFMI: Q.17.6.4

AGC: 84c.

558 G16Q054

Please explain:

PFMI: Q.17.6.4

AGC: 84d.

The Brazilian Central Bank, the Brazilian Securities Exchange Commission and all the direct participants are informed.

559 G16Q055

How will the CSD disclose any system interruptions?

PFMI: Q.17.6.4

AGC: 84e.

- By e-mail
- By telephone
- Public announcement
- Press release
- OTHER: SISBACEN

560 G16Q056

Please explain:

PFMI: Q.17.6.4

AGC: 84f.

Besides the use of telephone and email, the communication may be done through SISBACEN, which is the Brazilian Central Bank Information System. Its main objectives are the processing, storage and on-line recovery of data and information updated in real time. The SISBACEN complex incorporates a sophisticated teleinformatics network that interconnects National Financial System institutions, federal government entities, the legislative and judiciary branches and state entities with the Brazilian Central Bank.

562 G16Q058

If a back-up system exists, how quickly can the back-up system be activated in the event of the main system failing?

PFMI: Q.17.6.5

AGC: 83

Other: It takes from 1 to 10 minutes, depending on the segment.

566 G16Q062

BUSINESS RECOVERY PLAN. This section is intended to identify key aspects of the CSD's Business Recovery

Plan (BRP), including testing requirements and past results, expected recovery time periods, and the independent review and validation (if any) of the BRP. Do you have a formal business recovery plan?

PFMI: Q.17.6.8

AGC: 81

Yes [Y]

567 G16Q063

Does your Business Recovery Plan include:

PFMI: Q.17.6.8

AGC: 81a, 81h.

- Back-up of all computer files
- Off-site data storage
- Back-up files stored and locked
- Off-site operations facility
- OTHER:

568 G16Q064

Please identify both the frequency and the last date of testing for the following third party: CSD participants/members

PFMI: Q.17.6.8

AGC: 81b.

Testing of Business Recovery Plan involving depository participants/members is programmed to take place once a year. Last test performed in november 2019.

569 G16Q065

Please identify both the frequency and the last date of testing for the following third party: Stock exchange

PFMI: Q.17.6.8

AGC: 81c.

Testing of Business Recovery Plan involving stock exchange is programmed to take place once a year. Last test:november 11

570 G16Q066

Please identify both the frequency and the last date of testing for the following third party: Central bank

PFMI: Q.17.6.8

AGC: 81d.

Testing of Business Recovery Plan involving central bank is programmed to take place twice a year. Last tests: may 15th

571 G16Q067

Please identify both the frequency and the last date of testing for the following third party: Local brokers

PFMI: Q.17.6.8

AGC: 81e.

572 G16Q068

Please identify both the frequency and the last date of testing for the following third party: Any other third party

PFMI: Q.17.6.8
AGC: 81f.

573 G16Q069

In the past three years, has it been necessary to activate the recovery plan in a live situation?

PFMI: Q.17.6.8
AGC: 85

No [A02]

574 G16Q070

If yes, how much time was needed to implement the recovery plan?

PFMI: Q.17.6.8
AGC: 85a.

575 G16Q071

How much time was needed to recover and restore business to normal operations?

PFMI: Q.17.6.8
AGC: 85b.

576 G16Q072

What was the impact to the market?

PFMI: Q.17.6.8
AGC: 85c, 85d.

- All securities settlements took place as scheduled on the same day with good value
- All cash settlements took place as scheduled on the same day with good value
- All securities settlements took place one business day late with good value
- All cash settlements took place one business day late with good value
- All securities settlements took place one business day late with value one day late
- All cash settlements took place one business day late with value one day late
- All securities settlements took place more than one business day late
- All cash settlements took place more than one business day late
- As a result of the system failure, all fines and penalties for late settlements were waived
- Even though there was a system failure, all fines and penalties for late settlements were still assessed
- OTHER: In the past 3 years and more, there were not defects or failures to the main systems that justified the use of the recovery plan.

577 G16Q073

If no or other, please explain

PFMI: Q.17.7.4
AGC: 40a.

579 G16Q075

Are procedures and controls (firewalls) in place to avoid systemic collapse or contamination if one of the linked entities should experience business interruptions for whatever reason?

*PFMI: Q.17.7.1**AGC: 39*

- Yes
- No
- Not applicable

580 G16Q076

Please explain

*PFMI: Q.17.7.1**AGC: 39a*

B3 has several of procedures that work to ensure the operational continuity in a a disaster scenario, as Business Impact Analyses, Tehnological Disaster Recovery Plan, Workplace Contingency Plan, Operacional Contingency Plan, Crisis Management Plan and a Response Plan. Those continuity plans cover both internal operations and external linkages.

584 G16Q080

Has a business interruption recovery plan been developed in the event the linkages should become inoperable for any reason?

*PFMI: Q.17.7.4**AGC: 40*

Yes [A01]

Access and participation requirements (PFMI Principle 18)

588 G17Q003

Are prospective participants subject to an initial review and approval process regarding compliance with eligibility requirements?

*PFMI: Q.18.1.1**AGC: 19*

Yes [A01]

592 G17Q007

What governs the relationship between the CSD and the participants?

*PFMI: Q.18.2.2**AGC: 20*

- Relevant law and regulation
- Standard participation contract
- Established terms and conditions of participation
- By-laws of the CSD
- Rules of the CSD

Not applicable

OTHER:

593 G17Q008

Please explain:

PFMI: Q.18.2.2

AGC: 20a

Besides the CSD By-laws, B3 has normatives and rules to enable a participant to act in both segments. About this issue, there are a specific rulebook that governs the relationship between B3 and its participants and a rulebook from the CSD that, among other rules, defines the role of each member.

595 G17Q010

PARTICIPANTS AND PARTICIPATION. The purpose of this section is to understand issues relating to participation in the CSD, including eligibility requirements, conditions of participation, and supervision of participants. What types of entities are eligible to become participants and how many of each type are there currently?

PFMI: Q.18.2.3

AGC: 17, 17q

Banks

Brokers

Individuals

Foreign Institutions

Not applicable

OTHER: Depository Agents (Custodians) - dealers, pension funds, mutual funds, insurance companies, Clearing agents: dealers, Investment Funds, Leasing Co., Mortgage Co., Consumer Credit Co., Savings, Loan Associations and Non Financial Institutions..

596 G17Q011

How many Bank participants are there currently? (then please answer 17b)

PFMI: Q.18.2.3

AGC: 17a.

199

597 G17Q012

Please select the features included in the eligibility requirements for Banks.

PFMI: Q.18.2.3

AGC: 17b, 17d

Financial Thresholds

Regulatory Oversight

Market Experience

OTHER:

598 G17Q013

Please explain:

PFMI: Q.18.2.3
AGC: 17d.

To be eligible, a Bank has a set of rules to accomplish before being accepted as a participant at B3. These requirements are necessary to ensure more confidence to the market. A group of internal areas is responsible to evaluate and to admit or not an institution in B3 markets.

599 G17Q014

How many Broker participants are there currently? (then please answer 17f)

PFMI: Q.18.2.3
AGC: 17e.

83

600 G17Q015

Please select the features included in the eligibility requirements for Brokers.

PFMI: Q.18.2.3
AGC: 17f, 17h

Financial Thresholds

Regulatory Oversight

Market Experience

OTHER:

601 G17Q016

How many Individual participants are there currently? (then please answer 17j)

PFMI: Q.18.2.3
AGC: 17i.

602 G17Q017

Please select the features included in the eligibility requirements for Individual participants.

PFMI: Q.18.2.3
AGC: 17j.

Financial Thresholds

Regulatory Oversight

Market Experience

OTHER:

603 G17Q018

How many Foreign Institution participants are there currently?

PFMI: Q.18.2.3
AGC: 17m.

604 G17Q019

Please select the features included in the eligibility requirements for Foreign Institution participants.

PFMI: Q.18.2.3

AGC: 17n, 17p.

- Financial Thresholds
- Regulatory Oversight
- Market Experience
- OTHER:

605 G17Q020

If you have selected "Other entities" above, please explain:

PFMI: Q.18.2.3

AGC: 17q.

There are other institutions able to be participants since they comply with B3 By-laws. E.g. Depository agents (custodians) - dealers, pension funds, mutual funds, insurance companies, Clearing agents: dealers, Investment Funds, Leasing Co., Mortgage Co., Consumer Credit Co., Savings, Loan Associations and Non Financial Institutions.

606 G17Q021

Indicate how many "Other entities" are currently participants?

PFMI: Q.18.2.3

AGC: 17r.

12.280.

607 G17Q022

Please select the features included in the eligibility requirements for the participants referred to above as "Other entities".

PFMI: Q.18.2.3

AGC: 17s, 17u

- Financial Thresholds
- Regulatory Oversight
- Market Experience
- OTHER: The eligibility requirements for all kinds of participants are disclosed in the B3 's by-laws and regulations. They are available at http://www.b3.com.br/pt_br/regulacao/estrutura-normativa/regulamentos-e-manuais/central-depositaria.htm

610 G17Q025

Where can a description of the specific eligibility requirements for Bank participants be found?

PFMI: Q.18.2.5

AGC: 17c.

The eligibility requirements for bank participants are disclosed in the B3 's by-laws and regulations. They are available at http://www.b3.com.br/pt_br/regulacao/estrutura-normativa/regulamentos-e-manuais/central-depositaria.htm

611 G17Q026

Where can a description of the specific eligibility requirements for Broker participants be found?

PFMI: Q.18.2.5

AGC: 17g.

The eligibility requirements for broker participants are disclosed in the B3 's by-laws and regulations. They are available at http://www.b3.com.br/pt_br/regulacao/estrutura-normativa/regulamentos-e-manuais/central-depositaria.htm

612 G17Q027

Where can a description of the specific eligibility requirements for Individual participants be found?

PFMI: Q.18.2.5

AGC: 17k.

613 G17Q028

Where can a description of the specific eligibility requirements for Foreign Institution participants be found?

PFMI: Q.18.2.5

AGC: 17o.

614 G17Q029

Where can a description of the specific eligibility requirements for participants described above as "Other entities" be found?

PFMI: Q.18.2.5

AGC: 17t.

The eligibility requirements for all institutions able to be participants are disclosed in the B3 's by-laws and regulations. They are available at http://www.b3.com.br/pt_br/regulacao/estrutura-normativa/regulamentos-e-manuais/central-depositaria.htm

615 G17Q030

How does the CSD notify participants of material changes to the conditions of participation?

PFMI: Q.18.2.5

AGC: 22

- By e-mail
- By telephone
- By public announcement
- By press release
- Not applicable
- OTHER:

616 G17Q031

Please explain:

PFMI: Q.18.2.5
AGC: 22a.

All official communication issued by the B3's CSD are made available to participants through e-mail and company website as an official communication.

618 G17Q033
Who enforces compliance with the CSD's conditions of participation?

PFMI: Q.18.3.1
AGC: 23

- The CSD
- The exchange
- The CSD's regulator
- Not applicable
- OTHER:

619 G17Q034
Please explain:

PFMI: Q.18.3.1
AGC: 23a

The self-regulatory independent body of B3 and the regulator are responsible to enforce conditions of participation to the companies.

620 G17Q035
Does the CSD have forms of oversight management for assessing and monitoring of the following?

PFMI: Q.18.3.1
AGC: 79

- Participant eligibility requirements
- Participant volumes
- Participant financial strength
- Other loss or default protections the CSD maintains
- Collateral requirements for participants
- Debit caps for participants
- Settlement controls that minimize or eliminate the risk of default by a participant
- Blocking of securities movement before receipt of payment
- Blocking payment until securities are moved
- Not applicable

OTHER:

621 G17Q036

Please explain other loss or default protections:

PFMI: Q.18.3.1

AGC: 79a

622 G17Q037

Please explain the requirements:

PFMI: Q.18.3.1

AGC: 79b

B3 has procedures in their systems and people that monitors dates and other information, as limits, expiration date of atualizations and all the conditions that allows an institution to be a participant, according to its level and category.

623 G17Q038

Please explain how these debit caps work:

PFMI: Q.18.3.1

AGC: 79c

The process flows according to the level each participant intends to be part of. Once chosen, B3's registration area starts the procedures and distribute documents to the responsible areas to evaluate and audit the intended participant. In this case, B3's credit risk department is the respective area to analyse and approve or disapprove the registration of the new participant at the chosen level.

624 G17Q039

What type or types of settlement controls

PFMI: Q.18.3.1

AGC: 79d.

Blocking or freezing of securities positions

Controlling DVP settlement

Simultaneous DVP

OTHER:

625 G17Q040

Please explain:

PFMI: Q.18.3.1

AGC: 79e.

626 G17Q041

Please explain:

PFMI: Q.18.3.1

AGC: 79f.

627 G17Q042

Please explain:

*PFMI: Q.18.3.1**AGC: 79g.*

The DVP is entirely coordinated by B3. The cash payments occur through STR (the Central Bank Money Transfer System), in any moment the Brazilian central bank coordinates the process. Also, it is important to mention that throughout the entire process the securities or cash remains blocked. They stay in a transitory settlement account in B3 depository service and STR, respectively, that are held up by the end of the settlement process.

628 G17Q043

Please identify and explain:

*PFMI: Q.18.3.1**AGC: 79h*

629 G17Q044

Please explain briefly how these work:

*PFMI: Q.18.3.1**AGC: 79i*

632 G17Q047

What enforcement actions are available to the enforcement authority?

*PFMI: Q.18.3.3**AGC: 24*

- Fines
- Restrictions on participation
- Suspension of participation
- Termination of participation
- Not applicable
- OTHER: Warnings

633 G17Q048

Please explain:

*PFMI: Q.18.3.3**AGC: 24a*

Depending on the identified situation, a warning is applied to the participant to notify and resolve the problem.

634 G17Q049
Has there been any such enforcement actions in the last three years?

PFMI: Q.18.3.3
AGC: 25

No [N]

635 G17Q050
If yes, please explain, including information relative to any suspensions of CSD participants:

PFMI: Q.18.3.3
AGC: 25a.

Tiered participation (PFMI Principle 19)

Links (PFMI Principle 20)

652 G19Q004
Please list all depositories or settlement systems to which you have an electronic link.

PFMI: Q.20.1.2
AGC: 38

We have electronic links for message exchange with the following Depositories or settlement systems: IBERCLEAR (Spain); Caja de Valores S.A. (Argentina); DTCC (USA - Warning); Euroclear (Warning); SELIC (Brazil - Warning); and Clearstream Luxembourg for the collateral management processing.

Efficiency and effectiveness (PFMI Principle 21)

Communication (PFMI Principle 22)

677 G21Q003
Security Control. How do participants receive information (view actual settlement of trades, movement of securities on their accounts, etc.) and see the status of their accounts?

PFMI: Q.22.1.1
AGC: 69

- By direct electronic link
- By receipt of physical account holding statements
- Not applicable
- OTHER:

678 G21Q004
Please explain:

PFMI: Q.22.1.1
AGC: 69a.

Daily operational and movement reports are provided by electronic data transfer. In some specific situations a participant can ask for a physical statement of positions.

679 G21Q005

Do participants have access to affect their holdings, including confirming and affirming trades, movement of securities on their accounts, etc.?

*PFMI: Q.22.1.1**AGC: 70*

Yes [A01]

680 G21Q006

How is access given to participants?

*PFMI: Q.22.1.1**AGC: 70a.* By direct electronic link OTHER:

681 G21Q007

Please select type of electronic link:

*PFMI: Q.22.1.1**AGC: 70b.* Dial-up modem Secured, leased, dedicated telephone line Internet Fax

682 G21Q008

Please explain:

*PFMI: Q.22.1.1**AGC: 70c.*

The B3's systems are operated by internet and a secured line which the participant can access and according to its permissions, is able to move, transfer, consult or do any other operation. Each participant has a code number, an user code and passwords to access the secure environment.

683 G21Q009

Does the CSD communicate with other market entities such as stock exchanges, payment systems, clearing houses, etc., by secured linkages?

*PFMI: Q.22.1.1**AGC: 72*

Yes [A01]

684 G21Q010

Please explain:

*PFMI: Q.22.1.1**AGC: 72a*

B3 has accounts to communicate to other market entities as stock exchanges. It occurs because has commercial relations maintained with these entities and the access is made by secured linkages with individual user and passwords.

685 G21Q011
How does the CSD communicate with Stock Exchanges?

PFMI: Q.22.1.1
AGC: 73 73a

- Dial-up modem
- Secured, leased, dedicated telephone line
- Internet
- Fax
- Paper
- other
- Not applicable
- OTHER:

686 G21Q012
How does the CSD communicate with Payment Systems?

PFMI: Q.22.1.1
AGC: 73b

- Dial-up modem
- Secured, leased, dedicated telephone line
- Internet
- Fax
- Paper
- other
- Not applicable
- OTHER:

687 G21Q013
How does the CSD communicate with Clearing Houses?

PFMI: Q.22.1.1
AGC: 73c

- Dial-up modem
- Secured, leased, dedicated telephone line
- Internet
- Fax
- Paper

- other
- Not applicable
- OTHER:

688 G21Q014
How does the CSD communicate with Registrars?

PFMI: Q.22.1.1
AGC: 73d

- Dial-up modem
- Secured, leased, dedicated telephone line
- Internet
- Fax
- Paper
- other
- Not applicable
- OTHER:

Transparency and disclosure (PFMI Principle 23)

713 G22Q020
Capital. Are annual financial statements publicly disclosed?

PFMI: Q.23.5.3
AGC: 13

Yes [A01]

714 G22Q021
If yes, the AGC requests a copy of the institution's annual report. Is the annual report available electronically?

PFMI: Q.23.5.3
AGC: 13a.

Yes [Y]

715 G22Q022
filecount - If yes, please upload the document(s) here or insert web link(s) in question 13d:

PFMI: Q.23.5.3
AGC: 13b.

0

716 G22Q023
filecount - If more than one document for 13b, please upload the additional document here:

PFMI: Q.23.5.3
AGC: 13c.

0

717 G22Q024

Please insert web link(s) for 13b here:

*PFMI: Q.23.5.3**AGC: 13d.*please see the report at: <https://ri.b3.com.br/enu/4008/666809..pdf>

718 G22Q025

If no, and annual report and/or financial statements are not disclosed, please state your share capital, reserves, and retained earnings (or equivalents as determined under local accounting standards). Share Capital (then please answer 13f):

*PFMI: Q.23.5.3**AGC: 13e.*

719 G22Q026

Reserves (then please answer 13g):

*PFMI: Q.23.5.3**AGC: 13f.*

720 G22Q027

Retained Earnings:

*PFMI: Q.23.5.3**AGC: 13g.*

722 G22Q029

AGC members from time to time receive requests from their direct investor-clients for an informational copy of a CSD's completed questionnaire. Such requests typically lead to interactions between personnel at the CSD in question and member personnel or client personnel, or both. Those interactions take time and impose costs on both members and depositories. Do you approve of AGC members delivering a copy of your completed questionnaire to the member's direct client in response to the client's request?

*PFMI: Q.23.5.4**AGC: 100*

Yes [Y]

723 G22Q030

Are the results of the financial audit publicly available?

*PFMI: Q.23.5.4**AGC: 15f*

Yes [Y]

724 G22Q031

Are the results of the operational audit publicly available?

*PFMI: Q.23.5.4**AGC: 16f*

No [N]

Compliance with SEC Rule 17f-7

727 G23Q001

Rule 17f-7, by reference to Rule 17f-4, requires that, for a CSD to be eligible to hold securities of U.S. registered investment companies (such depositories hereinafter referred to as "Eligible Securities Depositories"), the CSD must be a "system for the central handling of securities where all securities of any particular class or series of any issuer deposited within the system are treated as fungible and may be transferred or pledged by bookkeeping entry without physical delivery of the securities."

Are all securities of a particular class or series of any issuer that are deposited in your institution treated as fungible, and can they be transferred or pledged by bookkeeping entry without physical delivery of the securities?

PFMI: n/a
AGC: 1

Yes [Y]

728 G23Q002

Please explain

PFMI: n/a
AGC: 1a

B3's CSD has more than 99% of the deposited securities dematerialized. It means that any transfer is possible without a physical delivery. It is just necessary to give a command in the B3 systems.

729 G23Q003

Rule 17f-7 also requires that an Eligible Securities CSD "acts as or operates a system for the central handling of securities or equivalent book-entries in the country where it is incorporated," or "acts as or operates a transnational system for the central handling of securities or equivalent book-entries." Does your institution:

PFMI: n/a
AGC: 2

- Act as or operate a system for the central handling of securities or equivalent book-entries in the country where it is incorporated?
- Act as or operate a transnational system for the central handling of securities or equivalent book-entries?
- Act in another capacity with respect to the handling of securities or equivalent book-entries?
- Not applicable
- OTHER:

730 G23Q004

Please explain:

PFMI: n/a
AGC: 2a.

The B3 Central Securities Depository services are offered for securities and bonds totally operated over the Brazilian territory.

731 G23Q005

Please specify the types of securities for which you act as or operate a system for the central handling of securities or equivalent book-entries:

PFMI: n/a

AGC: 2b.

It comprises equities, corporate bond, real estate investment trust (REIT), mortgage-backed securities (MBS, receivables investment funds, gold and agribusiness bonds), Corporate Money Market Instruments; Interbanking and Bank Certificates of Deposit, Bills of Exchange; Investment Fund Quotas; Export Notes; Real Estate Securitization Certificates.

732 G23Q006

Rule 17f-7 requires that an Eligible Securities Depository regulated by a foreign financial regulatory authority as defined under section 2(a)(50) of the Act , with section 2(a)(50) establishing that a 'foreign financial regulatory authority' means any (A) foreign securities authority, (B) other governmental body or foreign equivalent of a self-regulatory organization empowered by a foreign government to administer or enforce its laws relating to the regulation of fiduciaries, trusts, commercial lending, insurance, trading in contracts of sale of a commodity for future delivery, or other instruments traded on or subject to the rules of a contract market, board of trade or foreign equivalent, or other financial activities, or (C) membership organization a function of which is to regulate the participation of its members in activities listed above." Who regulates the activities of the CSD?

PFMI: n/a

AGC: 8

- A governmental body or regulatory organization empowered to administer or enforce laws related to securities matters.
- A governmental body or self-regulatory organization empowered to administer or enforce laws related to other financial activities.
- A membership organization which regulates the participation of its members in securities matters or other financial activities.
- OTHER:

733 G23Q007

Please explain:

PFMI: n/a

AGC: 8a.

B3 is a self-regulatory organization (SRO), is under supervision of Comissão de Valores Mobiliários (CVM), the Brazilian Securities and Exchange Commission and Banco Central do Brasil, the Brazilian Central Bank.

734 G23Q008

Please provide the name of regulatory authority(ies) identified in question 8:

PFMI: n/a

AGC: 9

CVM – Comissão de Valores Mobiliários, Brazilian Securities and Exchange Commission and BCB - Banco Central do Brasil, Brazilian Central Bank.

735 G23Q009

Rule 17f-7 requires that an Eligible Securities Depository is subject to periodic examination by regulatory authorities or independent accountants. Is the CSD subject to periodic examination by:

PFMI: n/a
AGC: 10

- Regulatory authorities?
- Independent accountants?
- OTHER: Internal audit.

736 G23Q010
Please explain:

PFMI: n/a
AGC: 10a

Besides been audited by CVM and the Brazilian Central Bank, B3 has a periodic internal audit.

737 G23Q011
Name of Authority #1 (please answer 11a):

PFMI: n/a
AGC: 11

CVM - Comissão de Valores Mobiliários - the Brazilian Securities and Exchange Commission

738 G23Q012
What enforcement actions are available to regulatory authority #1 for breach of applicable statute or regulatory requirements?

PFMI: n/a
AGC: 11a.

- Fines
- Restrictions on CSD activities.
- Suspension of CSD activities.
- Termination of CSD activities.
- OTHER: Warnings

739 G23Q013
Please explain:

PFMI: n/a
AGC: 11b.

The Brazilian Securities and Exchange Commission audits B3's services and is responsible to enforce any punishment according to the seriousness of the infraction.

740 G23Q013A
Name of Authority #2:

Banco Central do Brasil (BCB), the Brazilian Central Bank

741 G23Q014

What enforcement actions are available to regulatory authority #2 for breach of applicable statute or regulatory requirements?

*PFMI: n/a**AGC: 11c.*

- Fines
- Restrictions on CSD activities.
- Suspension of CSD activities.
- Termination of CSD activities.
- OTHER: Warnings

742 G23Q015

Please explain:

*PFMI: n/a**AGC: 11d.*

The Brazilian Central Bank audits B3's services and is responsible to enforce any punishment according to the seriousness of the infraction.

743 G23Q016

Has there been any use of such enforcement actions in the last three years?

*PFMI: n/a**AGC: 12*

- Yes
- No
- OTHER:

744 G23Q017

If yes, please explain:

*PFMI: n/a**AGC: 12a.*

745 G23Q018

Has the regulatory body with oversight responsibility for the CSD issued public notice that the CSD is not in current compliance with any capital, solvency, insurance or similar financial strength requirements imposed by such regulatory body?

*PFMI: n/a**AGC: 90*

No [A02]

746 G23Q019

Please describe:

*PFMI: n/a**AGC: 90a.*

747 G23Q020

In the case of such a notice having been issued, has such notice been withdrawn, or, has the remedy of such noncompliance been publicly announced by the CSD?

*PFMI: n/a**AGC: 90b.*

748 G23Q021

If yes, please describe:

*PFMI: n/a**AGC: 90c.*

749 G23Q022

If no, why not?

*PFMI: n/a**AGC: 90d.*

750 G23Q023

Rule 17f-7 requires that an Eligible Securities Depository holds assets for the custodian that participates in the system on behalf of the Fund under safekeeping conditions no less favorable than the conditions that apply to other participants. Please confirm that assets of foreign investors held by custodians as participants in the CSD are held under safekeeping conditions no less favorable than the conditions that apply to other participants.

*PFMI: n/a**AGC: 21*

Yes [A1]

751 G23Q024

If no, other or not applicable, please explain:

*PFMI: n/a**AGC: 21a.*

752 G23Q025

Please confirm the basis for the arrangements you have in place to ensure that the assets you hold for custodians receive the same level of safekeeping protection as the assets held for other categories of participants.

*PFMI: n/a**AGC: 21b, 21c.*

- Relevant Law and Regulation
- Standard participation contract
- Established terms and conditions of participation
- By-laws of the CSD
- Rules of the CSD
- OTHER:

753 G23Q027

For each item in Question 21b that you checked, please briefly supply references or citations to the law(s), regulation(s), or CSD rule(s), participation condition(s), or participant contract provision (s), as applicable.

PFMI: n/a
AGC: 21d

Every corporate action or any other event that happens, as the safekeeping is equal to all accounts (Instruction CVM 505, 506, Money Laundering Law 12.683/2012, S.A.'s Law, Resolution 4373). The account structure at B3 Depository is totally segregated, that is, at the level of the final investor, so every asset must be in a specific account, which can be held by a custodian or any other participant (Art. 15 - Subsection I, Section IV - CSD Rulebook). B3's By-laws and rules attest that every security has the same treatment as the issuers and custodians have the same duties and obligations (Art. 39 - section III - CSD Rulebook).

754 G23Q028

Rule 17f-7 requires that an Eligible Securities Depository provides periodic reports to its participants with respect to its safekeeping of assets, including notices of transfers to or from any participant's account. Does the CSD make available periodic safekeeping reports to participants, including notices of transfers to or from the participant's account?

PFMI: n/a
AGC: 46

Yes [A01]

755 G23Q029

If no or other, please explain

PFMI: n/a
AGC: 46a.

756 G23Q030

If yes, please indicate the scheduled frequency:

PFMI: n/a
AGC: 46b, 46c.

- Daily
 Weekly
 Monthly
 Quarterly
 Annually
 Upon request
 OTHER:

Relevant RSSS recommendations

Appendices

765 G25Q002

I am submitting up-to-date information in response to:

