

October 15, 2019

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## CIRCULAR LETTER

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

Re: **Market Maker Accreditation Process for Currency Futures Referencing the U.S. Dollar.**

Up to five market makers will be accredited under this program for each of the following currency futures contracts:

- U.S. Dollar per Australian Dollar Futures Contract (AUS)
- U.S. Dollar per New Zealand Dollar Futures Contract (NZL)
- U.S. Dollar per Euro Futures Contract (EUP)
- U.S. Dollar per Pound Sterling Futures Contract (GBR)
- Canadian Dollar per U.S. Dollar Futures Contract (CAN)
- Norwegian Krone per U.S. Dollar Futures Contract (NOK)
- Swedish Krona per U.S. Dollar Futures Contract (SEK)
- Swiss Franc per U.S. Dollar Futures Contract (SWI)
- Japanese Yen per U.S. Dollar Futures Contract (JAP)
- Chinese Yuan per U.S. Dollar Futures Contract (CNH)
- Turkish Lira per U.S. Dollar Futures Contract (TUQ)
- Argentine Peso per U.S. Dollar Futures Contract (ARS)
- Chilean Peso per U.S. Dollar Futures Contract (CHL)
- Mexican Peso per U.S. Dollar Futures Contract (MEX)
- South African Rand per U.S. Dollar Futures Contract (AFS)
- Russian Ruble per U.S. Dollar Futures Contract (RUB)

### **Accreditation procedure**

Institutions that wish to take part in this program must request accreditation for at least five contracts selected from the list of contracts authorized for the program. B3 will allocate the selected institutions to each of the contracts in accordance

with the number of openings offered. In this allocation procedure, B3 may reduce the minimum quantity of contracts for one or more market makers with the aim of maximizing the number of institutions accredited in the program.

All other requirements for filing the accreditation agreement are described in the Procedures Guide for the Accreditation of Market Makers in Derivatives, available at [www.b3.com.br/en\\_us/](http://www.b3.com.br/en_us/), Products and Services, Trading, Market Maker, Join in, Accreditation.

### Timetables

**Table 1 – Argentine Peso per U.S. Dollar Futures Contract**

Send Accreditation Instrument	Register account	Start of activity	End of obligation
Until Oct. 18, 2019	Nov. 01, 2019	Nov. 18, 2019	Dec. 11, 2020

**Table 2 – Other Contracts**

Send Accreditation Instrument	Register account	Start of activity	End of obligation
Until Nov. 08, 2019	Nov. 22, 2019	Dec. 11, 2019	Dec. 11, 2020

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

### Activity parameters

Market makers accredited for this program must enter bids and asks in accordance with the following activity parameters

**Table 3**

Contract	Ticker	Spread (points)	Round lot	Minimum activity during trading session	Mandatory contract months
EURUSD	EUP	1.5	350 contracts	80%	1st
GBPUSD	GBR	2			
AUDUSD	AUS	1.5			
NZDUSD	NZL	1.5			
USDJPY	JAP	150			
USDCAD	CAN	1.5			
USDCHF	SWI	1.5			
USDMXN	MEX	40	250 contracts		
USDNOK	NOK	20			
USDSEK	SEK	20			
USD RUB	RUB	150			
USDCNH	CNH	6			
USDTRY	TUQ	20			
USDZAR	AFS	40			
USDCLP	CHL	1500	100 contracts		
USDARS	ARS	200			

Market makers are required to trade until the fifth business day before expiration of the mandatory contract month. Thereafter the market maker obligation passes to the subsequent contract month.

The activity parameters may be changed during the course of the program with the prior consent of the market makers accredited for the assets affected by such a change. B3 will formally advise market makers of any proposals to change the activity parameters. They will have seven business days to respond in writing, and the lack of a timely reply will be taken as consent to the proposed change.

The prior consent of market makers will not be necessary if the parameters are changed owing to atypical market situations that incur a change in trading patterns or to adjustments required to avoid the creation of artificial demand, supply or pricing conditions.

**Maximum number of parameter breaches**

Any market maker’s accreditation to this program may be cancelled in the event of more than twelve unjustified breaches of the activity parameters and/or of the

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obligations set forth in this Circular Letter and in the Market Maker Activity Accreditation Agreement, or if the justification is not accepted by B3.

### **Minimum activity period**

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

### **Benefits**

Accredited market makers will be exempt from exchange fees and other fees on all trades in any contract months of the selected group of futures contracts. The message flows, trades and volume generated by the accredited institutions will not be considered for the purposes of the Trading Message Control Policy, as per Circular Letter 039/2013-DP, dated May 27, 2013, and Circular Letter 050/2013-DP, dated July 30, 2013

### **General provisions**

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

Further information can be obtained from the Chief Product and Customer Officer's team by telephone on +55 11 2565 7119/5830 or by email at [formadordemercadob3@b3.com.br](mailto:formadordemercadob3@b3.com.br).

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