

December 15, 2022
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CIRCULAR LETTER

Listed B3 Participants

Re.: **Changes to the B3 Clearinghouse Operating Procedures Manual**

We hereby inform you that on **December 19, 2022**, a new version of the B3 Clearinghouse Operating Procedures Manual (Manual) will come into effect, changing:

- (i) criteria whereby the B3 Clearinghouse sorts orders eligible for delivery failure management
- (ii) processing of the extension or postponement of position management time grids
- (iii) inclusion of corporate activities in the destination of values originating from fines or from differences between debited and credited value not used by the B3 Clearinghouse
- (iv) adaptation of the terms used in section 9.1.5.2.1.4.2 – Operational failures

The changes are described in detail in the Annex hereto.

The new version of the Manual will be available as of **December 19, 2022**, at www.b3.com.br/en_us, Regulation, Regulatory Framework, Regulations and manuals, Clearing, settlement and risk management, Access the documents.

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Further information can be obtained from Support for Settlement Processes and Services by telephone on +55 11 2565-5014 or by email at liquidacao@b3.com.br

Gilson Finkelsztain
Chief Executive Officer

Mario Palhares
Chief Operating Officer – Electronic
Trading and CCP

Annex to CIRCULAR LETTER 178/2022-PRE

Description of the Changes to the B3 Clearinghouse Operating Procedures Manual

1. Changes to B3 Clearinghouse sorting criteria for orders eligible for delivery failure management

CHAPTER 5 - TRANSACTION EXECUTION AT THE CLEARINGHOUSE

Section 5.1 - Securities lending agreements

Subsection 5.1.2 - Equities securities lending electronic trading

Subsection 5.1.2.4 - Specific features of lending orders for management of asset delivery failures

Text included to specify the B3 Clearinghouse sorting criteria for orders that are eligible for failure management.

2. Changes regarding processing of the extension or postponement of position management time grids

CHAPTER 7 – POSITION MANAGEMENT

Section 7.1 – Position statements

Subsection 7.1.3 - Time limit for submitting position statement requests

Text included to encompass the B3 Clearinghouse, for prudential or operating purposes, being able to bring forward or postpone the time limit for position statements, and to detail communication to the participants.

Section 7.3 – Position transfers

Subsection 7.3.3 - Time limits for position transfers

Text included to encompass the B3 Clearinghouse, for prudential or operating purposes, being able to bring forward or postpone the time limit for position transfer, and to detail communication to the participants if such occurs.

Section 7.4 - Early settlement of forward contracts

Subsection 7.4.1 – Early settlement

Subsection 7.4.1.4 - Time limit for early settlements

Text included to encompass the B3 Clearinghouse, for prudential or operating purposes, being able to bring forward or postpone the time limit for early settlement, and to detail communication to the participants if such occurs.

Subsection 7.4.2 - Custodian indication for forward contracts based on cash market assets to be settled at maturity

Subsection 7.4.2.2 - Time limit for custodian indication involving forward contracts based on cash market assets

Text included to encompass the B3 Clearinghouse, for prudential or operating purposes, being able to bring forward or postpone the time limit for custody

indication involving forward contracts based on cash market assets, and to detail communication to the participants if such occurs.

Section 7.5 – Coverage

Subsection 7.5.13 - Time limit for position coverage maintenance

Text included to encompass the B3 Clearinghouse, for prudential or operating purposes, being able to bring forward or postpone the time limit for position coverage maintenance, and to detail communication to the participants if such occurs.

Section 7.6 - Lending position maintenance

Subsection 7.6.7 - Maintenance of transactions resulting from equities securities lending intermediation

Subsection 7.6.7.6 - Assumption of transactions originating from securities lending intermediation

Text included to encompass the B3 Clearinghouse, for prudential or operating purposes, being able to bring forward or postpone the time limit for securities lending position maintenance, and to detail communication to the participants if such occurs.

Section 7.9 - Processing corporate actions and government bond interest payments

Subsection 7.9.3 - Processing corporate actions for equities securities lending positions

Item 4 - Corporate actions automatically generating rights in the B3 central depository - subscription rights

Text included to encompass the B3 Clearinghouse, for prudential or operating purposes, being able to bring forward or postpone the time limit for subscription processing in securities lending, and to detail communication to the participants if such occurs.

Item 5 - Voluntary corporate actions

(ii) Priority offerings of assets

Text included to encompass the B3 Clearinghouse, for prudential or operating purposes, being able to bring forward or postpone the time limit for processing priority offerings of assets in securities lending, and to detail communication to the participants if such occurs.

3. Changes regarding the inclusion of corporate activities in the destination of values originating from fines or from differences between the debited and credited value not used by the B3 Clearinghouse

CHAPTER 9 – MULTILATERAL NET SETTLEMENT

Section 9.1 - Net settlement procedures

Subsection 9.1.5 – Failure management

Subsection 9.1.5.1 - Failure to pay the multilateral net balances

Inclusion of corporate activities in the destination of any eventual difference between the debited and credited value not used by the B3 Clearinghouse.

Subsection 9.1.5.2.1.5 - Fines for asset delivery failures

Inclusion of corporate activities in the destination of fines for asset delivery failures.

Subsection 9.1.5.2.2 - Delivery failure of gold and assets traded in the corporate debt market**Subsection 9.1.5.2.2.2 – Buy-in order execution****Subsection 9.1.5.2.2.4 - Buy-in order reversal**

Inclusion of corporate activities in the destination of any eventual difference between the value debited and credited not used by the B3 Clearinghouse.

4. Changes regarding the adaptation of terms**CHAPTER 9 – MULTILATERAL NET SETTLEMENT****Section 9.1 - Net settlement procedures****Subsection 9.1.5 – Failure management****Subsection 9.1.5.2 - Asset delivery failure****Subsection 9.1.5.2.1 - Asset delivery failure in the equities market****Subsection 9.1.5.2.1.4 - Characterizing delivery failures****Subsection 9.1.5.2.1.4.2 – Operational failures**

- Substitution of the term “equities” by the term “assets” in the version in Portuguese to adapt the text to a broader definition.

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- Text complemented to encompass an account with a proven link to the market maker's activity in the case of delivery failure resulting from market making activity.
- Substitution of the term "cash" with "sell" to adapt the text to a broader definition as, in addition to equities, other financial assets are covered.