

September 12, 2018
081/2018-VOP

EXTERNAL COMMUNICATION

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

Re: **Delivery of Third Set of Upgrades to BM&FBOVESPA Clearinghouse's Systems and Publication of New Version of Message and File Catalogue.**

B3 hereby informs you of the items (listed in the Annex to this External Communication) that comprise the third set of upgrades to BM&FBOVESPA Clearinghouse's processes and systems. This initiative is in line with its commitments to and understandings with participants, reinforced by the delivery in August 2018 of the second set of upgrades and corrections to BM&FBOVESPA Clearinghouse.

Concomitantly with the third set of upgrades, B3 will also implement the new products announced in External Communication 015/2018-VPC, dated August 27, 2018:

- Single Stock and Units Futures Contract
- Single Stock and Units Futures Contract Structured Rollover Transaction
- Micro Standard & Poor's 500 Futures Contract
- Micro Standard & Poor's 500 Futures Contract Structured Rollover Transaction
- Securities Lending – Unsponsored Level 1 Brazilian Depositary Receipts (BDRs)
- FX Futures Contracts – U.S. Dollar Currency Pairs
- Mini U.S. Dollar Options Contract
- Mini U.S. Dollar Options Contract – Weekly Expiration
- Options on DI Futures Contract – Types 5, 6, 7, 8 and 9
- Forward Rate Volatility (VTF) Structured Transaction

It is important to note that the launch of these new products is pending appropriate approvals by the regulatory authorities.

The new version of the Message and File Catalogue, with updates relating to the catalogues for Collateral Management, Risk Management and Participant

Registration, is available at www.bvmfnet.com.br, *Manuais, Clearing BM&FBOVESPA, Catálogo de Mensagens e Arquivos.*

The third set of upgrades to BM&FBOVESPA's processes and systems will be available for certification from October 22, 2018, followed by delivery of the corresponding upgrades to SINACOR on October 26, 2018. The upgrades are expected to go live in production in the second half of November.

Participants interested in testing and certification of improvements and upgrades to BM&FBOVESPA's processes and systems can request support by telephone on +55 11 2565-4400 or by email at cert@b3.com.br.

Further information can be obtained from Post-Trading Support by telephone on +55 11 2565-5000, option 3, or by email at ssp@b3.com.br.

Cícero Augusto Vieira Neto
Chief Operating Officer

Annex to External Communication 081/2018-VOP

1. Upgrades to BM&FBOVESPA Clearinghouse's processes and systems

1.1.RTC system

System	Process	Description
RTC – Real Time Clearing	Risk management	<p>Change to risk calculation for non-allocated trades (CORE1) considering simultaneous default by N largest master accounts, with the aim of improving calculation of FTP's and SP's operating balance.</p> <p>It is important to note that implementation of this change to risk calculation for non-allocated trades (CORE1) depends on approval by the regulatory authorities.</p>
RTC – Real Time Clearing	Response message bvmf.086.02 (Intraday risk query)	Inclusion of field "Consolidated Non-Allocated N Largest Master Account", due to change to model for non-allocated trade risk calculation displaying N largest master accounts.
RTC – Real Time Clearing	Transmission message bvmf.208.01 (Non-allocated risk simulation)	Inclusion of field "Account Identification" in blocks "Regular Positions", "Cash Market Positions", "Equities Forward Positions" and "Equities Options Positions" to create positions for a specific master account.
RTC – Real Time Clearing	Transmission message bvmf.219.01 – bvbq.100.01 (Non-allocated risk simulation)	Inclusion of field "Account Identification" in blocks "Regular Positions", "Cash Market Positions", "Equities Forward Positions" and "Equities Options Positions" to create positions for a specific master account.
RTC – Real Time Clearing	Response message bvmf.209.01 (Non-allocated risk simulation)	Inclusion of field "Consolidated Non-Allocated N Largest Master Account", due to change to model for non-allocated trade risk calculation considering N largest master accounts.

2. Correction of defects

System	Process	Description
RTC – Real Time Clearing	Give-up	Correction of error message displayed on screen when FTP attempts partial give-up of strategy trade.
NGA – Novo Garantias	Withdrawal of shares with 100% discount (limit exceeded)	<p>When a participant requested withdrawal of shares and a certain quantity was not valued because the limit was exceeded, the system blocked 100% of the non-valued quantity and this aborted the withdrawal.</p> <p>The system now allows requests for withdrawal of unvalued share quantities provided the client's balance is positive.</p> <p>If the balance is negative, the system blocks only the quantity of shares corresponding to the value of the client's risk while leaving the margin call open until it is covered.</p>
NGA – Novo Garantias	File BVBG.078.01 (Collateral movement query)	<p>In the file BVBG.078.01 (Collateral movement query), generated in batch processing (session open), the tag "AppHdr" did not display the correct SMP message name (bvmf.113.02 – Collateral movement), but incorrectly displayed the code bvmf.111.02, which refers to collateral queries.</p> <p>The correct message (bvmf.113.02 – Collateral movement) will now be displayed in this tag ("AppHdr").</p>
NGA – Novo Garantias	Message bvmf.112.01 (Posted collateral query)	<p>In the message bvmf.112.01 (Posted collateral query):</p> <ul style="list-style-type: none"> The tags "SchemeNm" and "Issr" were published with the wrong values. These have been corrected and will be published in this message as per the "external code list"; The fields "Correction Type" and "InterestRateIndex" were missing. They will now be displayed in this message.

System	Process	Description
NGA – Novo Garantias	Message bvmf.168.01 (Collateral withdrawal)	<p>When a participant requested withdrawal of a Cash Amount (BRL) via Banco B3 using message bvmf.168.01 (Collateral withdrawal), an error occurred in the transaction when the field “ExctdMvmntTp” was completed with “1 – Padrão” ou “3 – ValorEspecieOutros”.</p> <p>The domains in the table “ExternalCollateralExecutedMovementType Code” have been corrected, with alteration of type “1” to “1 – Banco B3”, as per the “external code list”.</p>
NGA – Novo Garantias	Transmission and reception of messages after closure of collateral system (NGA)	<p>After NGA system closure at the end of the day, the system did not send SMP messages rejecting non-finalized transactions (pending updates and/or rejection).</p> <p>This correction ensures that when the system is being shut down participants will be informed that pending transactions have not been finalized and will be rejected by the system.</p>
NGA – Novo Garantias	Message bvmf.160.01 (Collateral transfer)	<p>When the originating participant in the collateral transfer process sent the message bvmf.160.01 (Collateral transfer) to request approval of the transfer by the counterparty, the tag “SubAccount” in the asset type “OtherCollateral” in the message XSD was mandatory and is now optional.</p>