

March 19, 2019
025/2019-VOP

EXTERNAL COMMUNICATION

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

Re: **Protection Tunnels Based on Quantity and Concentration – Change to Parameters for Ibovespa Futures, Míni Ibovespa Futures and One-Day Interbank Deposit Rate Futures.**

On **April 01, 2019**, B3 will change the parameters used to calculate the quantity protection tunnel for the **Ibovespa Futures Contract (IND)** and **Mini Ibovespa Futures Contract (WIN)**; and will cease to use the concentration protection tunnel for the **One-Day Interbank Deposit Rate Futures Contract (DI1)**. These alterations have been determined in response to a review of pre-trade risks associated with rising total trade volumes and the resulting need to adjust the operating parameters for these contracts.

The protection tunnels in question automatically postpone the close of an auction or of an opening or closing call in the BM&FBOVESPA Trading System if the threshold in question is reached, and set a new closing time.

- **Quantity protection tunnel:** Activated if a full trading participant has a larger quantity of lots in the auction's theoretical price formation than the parameter set as an absolute number. In this tunnel, quantities of bids and asks from the same participant are analyzed separately.
- **Concentration protection tunnel:** Activated if a certain percentage of the theoretical quantity for the auction is obtained by a full trading participant at auction close. In this tunnel, quantities of bids and asks from the same participant are analyzed separately.

The tables below show the current parameters and the new parameters that will enter into effect on the date set in the opening paragraph of this External Communication for **Ibovespa Futures (IND)** and **Míni Ibovespa Futures (WIN)**.

Ibovespa Futures

Trading group	Current parameter	New parameter
Contract months belonging to group B1	500	750
Contract months belonging to group B2	500	750
B6	500	750

Míni Ibovespa Futures

Trading group	Current parameter	New parameter
Contract months belonging to group W1	3000	5000
Contract months belonging to group W6	500	750
Contract months belonging to group W7	500	750

For the **One-Day Interbank Deposit Rate Futures Contract (DI1)**, the concentration protection will cease to be used on the date set in the opening paragraph of this External Communication. The quantity protection tunnel and other trading tunnels for this contract will remain unchanged.

B3 may change or revoke these tunnel parameters or set new ones during a trading session without advance notice to the market.

The definitions of trading tunnels can be found in B3's Trading Procedures Manual and Trading Rulebook, available from http://www.b3.com.br/en_us, Regulation, Regulatory framework, Regulations and manuals, Trading.

Tables with the instruments and parameters used to calculate the tunnels are available from http://www.b3.com.br/en_us, Solutions, Platforms, PUMA Trading System, For members and traders, Rules and trading parameters, Trading tunnel parameters.

Further information can be obtained from Electronic Trading by telephone on +55 11 2565-4680 or by email at controledeoperacoes@b3.com.br.

Cícero Augusto Vieira Neto
Chief Operating Officer