



November 19, 2020

151/2020-PRE

C I R C U L A R L E T T E R

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

Re: **Changes to B3 Clearinghouse's Normative Documents – Acceptance of Assets Deposited Abroad as Collateral**

New versions of the B3 Clearinghouse Rules (Rules) and the B3 Clearinghouse Risk Management Manual (Manual) will enter into effect on **November 23, 2020**, with changes designed to extend the roster of investors eligible to deposit assets abroad as collateral for B3 Clearinghouse, and other updates relating to the acceptance of collateral deposited abroad, as described below.

1. Depositing collateral abroad for eligible non-resident investors domiciled in Luxembourg and the Cayman Islands

- a)** Inclusion of the eligibility of non-resident investors domiciled in Luxembourg and the Cayman Islands for the purpose of depositing collateral abroad, in accordance with the Manual, Chapter 6, Collateral management, Table 6.1.
- b)** Inclusion of the rules and procedures for depositing, maintaining and executing collateral abroad that apply to these investors, in accordance with Annex V and Annex VI of the Rules, along the same lines as those in Annexes I, II, III and IV referring to investors domiciled in the United States, England and Wales, France and the Netherlands respectively.

The effects of this Circular Letter are backdated to the date of its publication, and B3 expressly validates all acts practiced until the present date.

This free translation is not legally binding. Any questions arising from the text should be clarified by consulting the original in Portuguese. In the event of any discrepancy, the original in Portuguese shall prevail.



151/2020-PRE

2. Possibility of using collateral deposited abroad to support liquidity mechanism

Inclusion of the possibility of use by B3 of collateral deposited abroad to obtain liquidity, including via the liquidity fund, with inclusion of text in the annexes to the Rules regarding authorization by non-resident investors for B3 to proceed in this manner (item 3.14 of Annex I; item 3.15 of Annex II; item 3.16 of Annex III; item 3.13 of Annex IV; item 3.15 of Annex V; and item 3.15 of Annex VI).

3. Responsibilities of clearing members, full trading participants, settlement participants, trading participants and investors

Description of the responsibilities of clearing members, full trading participants, settlement participants, trading participants and investors with regard to the use, execution and/or receipt of collateral, including collateral deposited abroad, with the following changes:

- a)** Supplementation of text in the following articles of the Rules: art. 16 (IV); art. 26 (IV); art. 30 (IV); art. 34 (IV); art. 42 (V); art. 127, art. 128 and art. 129;
- b)** Inclusion of sole paragraph in article 123 of the Rules;
- c)** Supplementation of text in Manual, Chapter 6, Collateral management, section 6.1, Eligibility criteria, paragraphs 1 and 2.

The new versions of the Rules and Manual will be available from **November 23, 2020**, at www.b3.com.br/en_us, Regulation, Regulatory framework, Regulations and manuals, Clearing, settlement and risk management, Access the documents.



151/2020-PRE

Further clarification can be obtained from Collateral Monitoring by calling +55 11 2565-5032 or emailing garantias@b3.com.br.

Gilson Finkelsztain
Chief Executive Officer

Cícero Augusto Vieira Neto
Chief Operating Officer