



April 6, 2021

030/2021-PRE

CIRCULAR LETTER

To: Listed Participants

Re: **Launch of US Dollar Future/Cash US Dollar Structured Transaction (US Dollar "Casado")**

The US Dollar "Casado" will be available for trading from **April 23, 2021** (inclusive), in accordance with Circular Letter 164/2020-PRE, dated November 30, 2020.

New versions of B3's Trading Procedures Manual and the B3 Clearinghouse Risk Management Manual including alterations referring to the US Dollar "Casado" announced in Circular Letter 159/2020-PRE, dated November 26, 2020, will enter into effect on **April 23, 2021** and can be found at www.b3.com.br/en_us, Regulation, Regulatory Framework, Regulations and manuals, respectively at Trading, BM&FBOVESPA Segment, Access the documents and Clearing, settlement and risk management, Access the documents, Foreign exchange Clearinghouse.

The specifications for the US Dollar "Casado" can be found at www.b3.com.br/en_us, Products and Services, Trading, Exchange rates, US Dollar, Structured transactions.

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1. Fees and price

This product does not have a specific fee policy because it is a structured transaction. Fees apply individually to each instrument involved in the structured transaction, the US Dollar Futures Contract (DOL) and the purchase or sale of Spot US Dollars, in accordance with their respective fee policies.

Fee schedules are available at www.b3.com.br/en_us, Products and Services, Fee schedules, Listed equities and derivatives, Exchange rates, US Dollar, US Dollar futures; and Products and Services, Fee schedules, Listed equities and derivatives, Exchange rates, US Dollar, Spot US Dollar.

2. Accessing the product

Any institution may trade the US Dollar "Casado" only if it is already authorized to trade on the secondary spot foreign exchange market in accordance with the applicable rules and regulations, as well as being a settlement agent accredited with B3's FX Clearinghouse and a client of one of B3 Clearinghouse's full trading participants.

If the institution wishes to trade the product via more than one full trading participant, it may appoint only one settlement participant to settle the US Dollar futures involved in any such trade. Appointment of more than one settlement participant is not allowed.

3. Risk controls

Risk for the futures positions in B3 Clearinghouse and the Spot US Dollar positions in B3's FX Clearinghouse created by US Dollar "Casado" trades will be calculated

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as usual. The procedures for controlling position limits and operating limits also remain unchanged, as specified in the rulebooks for both clearinghouses.

Pretrade risk will be controlled using LiNe 5.0. Only the metrics TMOC/TMOV and SPCI/SPVI will be available for the US Dollar "Casado".

US Dollar "Casado" orders and trades will not affect aggregate risk consumption metrics (RMKT, SDP and SFD) in LiNe. The US Dollar futures trades created by these structured transactions will not be taken into consideration by LiNe.

An upper limit will be set in LiNe for SPCI/SPVI relating to US Dollar "Casado" trades by each investor authorized to trade the product on the basis of the total unencumbered collateral available in B3's FX Clearinghouse to the clearing agent and its operating limit.

New over-the-counter trades and unencumbered collateral withdrawals by a participant in B3's FX Clearinghouse will result in an automatic reduction of its SPCI/SPVI upper limit available for US Dollar "Casado" trades in LiNe. Whenever an open US Dollar "Casado" order consumes the balance of unencumbered collateral or the operating limit, B3's FX Clearinghouse will not accept new OTC trades or collateral withdrawals until the open orders are cancelled.

4. Trading tunnels

Tables showing rejection and auction tunnel parameters are available at www.b3.com.br/en_us, Solutions, Platforms, PUMA Trading System, Participants and traders, Rules and trading parameters, Trading tunnel parameters.

The first US Dollar "Casado" trade of each day must go to auction.

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5. General provisions

It is important to use the self-trade prevention (STP) functionality when entering orders, as B3's FX Clearinghouse will not accept Spot US Dollar trades by the same investor on the buy side and sell side. The specifications for this functionality are available at www.b3.com.br/en_us, Regulation, Regulatory framework, Regulations and manuals, Trading, Access the documents, B3 Trading Procedures Manual.

All previously published Circular Letters on the US Dollar "Casado" remain valid, especially Circular Letters 116/2020-PRE, dated September 15, 2020; 154/2020-PRE, dated November 24, 2020; and 161/2020-PRE, dated November 26, 2020.

Further clarification about the product can be obtained from Interest Rates & Currencies by calling + 55 11 2565-5830/7457.

Further clarification about fees can be obtained from Support for Settlement Processes and Services by calling +55 11 2565-5015 or emailing liquidacao.tarifacao@b3.com.br.

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Chief Product and Client Officer

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