



October 20, 2020

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CIRCULAR LETTER

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

Re: **Accreditation Process for US Dollar Referenced Currency Futures
Market Maker Program**

Up to five market makers will be accredited under this program for each of the following currency futures contracts:

- U.S. Dollar per Australian Dollar Futures Contract (AUS)
- U.S. Dollar per New Zealand Dollar Futures Contract (NZL)
- U.S. Dollar per Euro Futures Contract (EUP)
- U.S. Dollar per Pound Sterling Futures Contract (GBR)
- Canadian Dollar per U.S. Dollar Futures Contract (CAN)
- Norwegian Krone per U.S. Dollar Futures Contract (NOK)
- Swedish Krona per U.S. Dollar Futures Contract (SEK)
- Swiss Franc per U.S. Dollar Futures Contract (SWI)
- Japanese Yen per U.S. Dollar Futures Contract (JAP)
- Chinese Yuan per U.S. Dollar Futures Contract (CNH)
- Turkish Lira per U.S. Dollar Futures Contract (TUQ)
- Argentine Peso per U.S. Dollar Futures Contract (ARS)
- Chilean Peso per U.S. Dollar Futures Contract (CHL)
- Mexican Peso per U.S. Dollar Futures Contract (MEX)
- South African Rand per U.S. Dollar Futures Contract (AFS)
- Russian Ruble per U.S. Dollar Futures Contract (RUB)



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Accreditation procedure

Institutions that wish to take part in this program must request accreditation for at least five contracts selected from the list of contracts authorized for the program. B3 will allocate the selected institutions to each of the contracts in accordance with the number of openings offered. In this allocation procedure, B3 may reduce the minimum quantity of contracts for one or more market makers with the aim of maximizing the number of institutions accredited in the program.

All other requirements for filing the accreditation instrument are described in the Procedures Guide for the Accreditation of Market Makers, available at www.b3.com.br/en_us/, Products and Services, Trading, Market Maker, Join in, Accreditation.

Timetable

Accreditation instrument filed	Accounts registered	Start of activity	Obligation ends
By Nov. 20, 2020	Nov. 27, 2020	Dec. 14, 2020	Dec. 10, 2021

B3 may at its sole discretion assess accreditation applications submitted after these deadlines, provided the delay is duly justified.

The duration of this program may be extended at B3's sole discretion. If the end of the obligation is deferred, B3 will issue a Circular Letter with information on the length of the extension, any changes to the activity parameters, and other necessary provisions. Market makers will be free to choose whether to continue trading as such until the new date for the end of the obligation or conclude their accreditation on the above date therefor.



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Activity parameters

Market makers accredited for this program must enter bids and asks in accordance with the activity parameters defined by B3.

The list of derivatives eligible for the program and the respective activity parameters can be found in the document Activity Parameters for Market Makers in Currency Futures (Pairs in USD) available at www.b3.com.br/en_us, Products and Services, Trading, Market maker, Join in, Programs, Currency Futures (USD Pairs).

The activity parameters may be changed during the course of the program with the prior consent of the market makers accredited in the underlying assets affected by the parameter change. B3 will formally advise market makers of any proposals to change the activity parameters. They will have seven (7) business days to respond in writing, and the lack of a timely reply will be taken as consent to the proposed change.

The prior consent of market makers will not be necessary if the activity parameters are changed owing to adjustments needed to avoid the creation of artificial demand, supply or pricing conditions.

Test period

Market makers may enjoy the benefits specified below without having to observe the activity parameters up to ten (10) business days before the start of their mandatory activity so that they can execute connectivity, trading session and order routing tests, as well as the necessary technological configurations.



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Maximum number of parameter breaches

Accreditation to this market maker program may be cancelled in the event of more than twelve (12) unjustified breaches of the activity parameters and/or obligations set forth in this Circular Letter and in the Instrument of Accreditation for Market Maker Activity (Instrument), or if the justification is not accepted by B3. The Instrument is available at www.b3.com.br/en_us, Products and Services, Trading, Market Maker, Join in, Contracts.

Minimum activity period

If a market maker desists from the accreditation process without having begun its activities under this program, it will be exempted from meeting the thirty-day minimum activity period required by Circular Letter 109/2015-DP, dated October 8, 2015. If a market maker withdraws after the start of its activity, it must comply with the thirty-day notice period without fail so that its de-accreditation can be communicated to the market.

Benefits

Market makers accredited to this program will be exempt from exchange fees and other fees on all trades in any contract months of the group of futures contracts selected among the futures contracts covered by the program.

The message flows, trades and volume generated by the accredited institutions will not be considered for the purposes of the Trading Message Control Policy, as per Circular Letter 039/2013-DP, dated May 27, 2013, and Circular Letter 050/2013- DP, dated July 30, 2013.



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General provisions

B3 will resolve any omissions regarding this accreditation process and the program.

Further information can be obtained from the Chief Product and Customer Officer's team by calling +55 11 2565 7119/5830 or by emailing formadordemercadob3@b3.com.br.

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