

April 18, 2023  
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## CIRCULAR LETTER

**Revoked by Circular Letter nº 001-2024-VPC, from January 4, 2024**

Listed B3 Participants

Re.: **Change to the Additional Benefit for the Corn Futures (CCM) and FOB Santos Soybeans Futures (SOY) Commodities Market Maker Program**

We hereby inform you of the update to the additional benefit for the Corn (CCM) market maker and FOB Santos Soybeans (SOY) market maker in the Commodity Futures Market Maker Program, until now established respectively in Annexes II and III of Circular Letter 017/2023-PRE, dated February 7, 2023.

In addition to the current guidelines for the Selection and Accreditation Procedures in the Commodity Futures Market Maker Program, the Annexes hereto contain these abovementioned changes.

This Circular Letter revokes and substitutes Circular Letter 017/2023-PRE, dated February 7, 2023.

Further information can be obtained from the Electronic Trading Department by telephone on +55 11 2565 5021 or by email at [formadordemercadob3@b3.com.br](mailto:formadordemercadob3@b3.com.br)

Gilson Finkelsztain  
Chief Executive Officer

José Ribeiro de Andrade  
Chief Product and Client Officer

## **Annex I to CIRCULAR LETTER 057/2023-PRE**

### **Selection and Accreditation Process for Market Makers in Commodity Futures Contracts**

In this program, up to four or five market makers will be accredited for each of the futures contracts listed below.

#### **Four openings**

- Cash-Settled Corn Futures (CCM)
- Cash Settled Live Cattle Futures (BGI)
- 4/5 Arabic Coffee Futures (ICF)
- Cash Settled Hydrous Ethanol Futures (ETH)
- Cash-Settled Soybean Futures at the Price of the CME Group Mini Sized Soybean Futures Contract (SJC)

#### **Five openings**

- Cash-Settled FOB Santos (Platts) Soybean Futures (SOY)

#### **Selection and accreditation procedure**

Institutions that wish to take part in this program must request accreditation by submitting the duly filled in Expression of Interest form containing their personal

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information and designating the assets of interest to [formadordemercadob3@b3.com.br](mailto:formadordemercadob3@b3.com.br), within the deadline given in this Circular Letter.

The Expression of Interest form is available at [http://www.b3.com.br/en\\_us/](http://www.b3.com.br/en_us/), Products and Services, Trading, Market maker, Programs, Commodities.

If the expressions of interest exceed the number of available openings for each asset, selection will occur through the process described in Annex I to this Circular Letter.

Once defined, B3 will individually announce the institutions that have been selected for the program and the classification of all the institutions that participated in the selection process. The public announcement of all the accredited institutions will occur as of the first day of activity of the program.

The selected institutions must formalize accreditation for the assets in question by signing the Accreditation Instrument prior to the deadline given in this Circular Letter.

Guidance on the procedure for returning the Accreditation Instrument is available in the Procedures Guide for the Accreditation of Market Makers (Procedures Guide), available at [http://www.b3.com.br/en\\_us/](http://www.b3.com.br/en_us/), Products and Services, Trading, Market maker, Accreditation.

Institutions that have not yet signed the Agreement of Accreditation for Market Maker Activity with B3 must follow the procedures outlined in chapters 4, 5 and 6 of the Procedures Guide.

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A specific Accreditation Instrument for Market Makers in Commodity Futures Contracts is available at [http://www.b3.com.br/en\\_us/](http://www.b3.com.br/en_us/), Products and Services, Trading, Market maker, Programs, Commodities, Instrument of Accreditation.

### Timetables

Filing of Expression of Interest	Announcement of selected market makers	Filing of Accreditation Instrument and registration of accounts	Registration of accounts	Start of activity	End of agreement
By Feb. 14, 2023	By Feb. 17, 2023	By Feb. 24, 2023	By Mar. 8, 2023	Mar. 9, 2023	Mar. 8, 2024

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

### Activity parameters

Market makers accredited for this program must enter bids and asks in accordance with the Commodities Market Makers Parameters defined at [http://www.b3.com.br/en\\_us/](http://www.b3.com.br/en_us/), Products and Services, Trading, Market maker, Programs, Commodities, Program Rules.

Market makers are required to register bids and asks until the fifth business day before expiration of the first contract month available for trading. After this, market makers must trade in the following contract month.

The activity parameters may be changed during the course of the program with the prior consent of the market makers accredited for the program. B3 will formally advise market makers of any proposals to change the activity

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parameters. They will have seven 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 parameters are changed owing to atypical market situations that incur a change in trading patterns or to adjustments required to avoid the creation of artificial demand, supply or pricing conditions.

For purposes of calculating the trading volume of participants, only those transactions will be considered that comply with the rules and procedures established for B3's futures market, with cancelled transactions and/or those that do not meet the necessary requirements for their execution being disregarded.

### **Test period**

The market makers shall enjoy the following benefits, without complying with the activity parameters, for a period of up to ten business days prior to the start of their mandatory activity, so that they can perform connectivity, session and order routing tests, as well as the necessary technological configurations. After the test period, B3 will monitor the market makers' activity. The market makers that require this period must inform B3 at [formadordemercadob3@b3.com.br](mailto:formadordemercadob3@b3.com.br) of the activity accounts at least eleven business days prior to the start of the program.

### **Maximum number of parameter breaches**

Any market maker's accreditation under this program may be cancelled in the event of more than twelve unjustified breaches of the activity parameters and/or of the obligations set forth in this Circular Letter and in the Market Maker Agreement (Agreement of Accreditation for Market Maker Activity), or if the

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justification is not accepted by B3. The Agreement is available at [www.b3.com.br/en\\_us](http://www.b3.com.br/en_us), Products and Services, Trading, Market maker, Contracts, Futures, Market Maker Agreement.

### **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 this period, it must comply with the thirty-day activity requirement without fail so that its de-accreditation can be communicated to the market.

### **Exemption from compliance with obligations**

In periods in which there is no trading session on the CME Group electronic trading platform, as well as during public holidays on the New York or Chicago marketplaces, the market makers will be exempted from meeting the activity parameters for the Cash-Settled Soybean Futures Contract at the Price of the CME Group Mini-Sized Soybean Futures Contract (SJC).

### **Benefits**

Accredited institutions will be exempted from exchange fees and other fees on transactions executed with the asset in this program, in any contract month, both for futures and for their respective options.

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There will be an additional benefit for Cash-Settled Corn Futures (CCM) and FOB Santos (Platts) Soybean Futures (SOY) market makers, set out Annex II and III respectively to this Circular Letter.

### **General provisions**

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

## **Selection Process for Market Makers in Commodity Futures Contracts**

### **1. Eligibility**

Only market makers that file the duly filled in Expression of Interest form, as described herein, are eligible for the selection process.

### **2. Selection methods**

The openings available in each asset for the accreditation of market makers are divided into two selection methods, as described below.

#### **Assets with four openings available**

- Two openings reserved for primary allocations
- Two openings reserved for secondary allocations

#### **Assets with five openings available**

- Two openings reserved for primary allocations
- Three openings reserved for secondary allocations

If the two openings reserved for primary allocations are not filled, the remaining openings will be offered for secondary allocations in order to maximize the number of market makers accredited for this program.

If there is no market maker accredited in the asset in the previous program or when there is the launch of a new asset in the program, the opening reserved for primary allocation will be provided for secondary allocations.



## 2.1. Primary allocation

To be eligible for primary allocations, institutions:

- Must have been accredited in the previous Market Maker Program
- Must have expressed an interest in the asset in the program

The following variables with their respective weightings will be the basis for selection in the primary allocation.

- **Volume:** total trading volume during the period of the previous program
- **Performance:** the activity performance of the asset regarding the previous market maker program and considering activity since the start of the program (50%)

B3 will announce the institutions pre-selected for primary allocation after the expression of interest period.

## 2.2. Secondary allocation

- Institutions that are not encompassed in the primary allocation will be selected in accordance with the volume of futures contracts in the candidate asset in 2022

Institutions that wish to take part in this program should seek guidance in the Procedures Guide for the Accreditation of Market Makers (Procedures Guide), available at [http://www.b3.com.br/en\\_us/](http://www.b3.com.br/en_us/), Products and Services, Trading, Market maker, Accreditation.

## **Annex II to CIRCULAR LETTER 057/2023-PRE**

### **Additional benefit for corn (CCM) market makers**

Market makers in Cash-Settled Corn Futures (CCM) will receive the benefit in accordance with their trading volume in this asset in the activity month.

Every month BRL 60,000.00 will be distributed in credits or as a payment, allocated among market makers active in the program in accordance with their trading volume and in compliance with the following criteria.

- 1.** The market maker must state in the Accreditation Instrument how it wants to use its benefit, whether as credits or paid to it as a net amount - in which case it will be taxed at source pursuant to the tax legislation prevailing on the date the financial resources are made available and will be subject to bank fees and other fees or taxes charged when remitting resources overseas, when applicable.

The market makers may change these financial instruments that will receive the credits during the course of the program, with 30 days prior notice, sending notification to [formadordemercadob3@b3.com.br](mailto:formadordemercadob3@b3.com.br).

- 2.** The market maker will be eligible to receive the credits or payment when it meets the parameters for maximum spread, minimum lot, trading session activity period and settlement price formation window, as designated in the

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Activity Parameters document, at [www.b3.com.br/en\\_us/](http://www.b3.com.br/en_us/), Products and Services, Trading, Market maker, Programs, Commodities, Program Rules.

3. If the market maker meets the above parameters, it will join the monthly pool of BRL 35,000.00 in credits or payment, a portion of which each market maker will receive in accordance with its market share in the trading volume of number of Cash Settled Corn Futures (CCM) in that month.
4. In addition to this, the first and second placed market makers in the monthly ranking of market share of volume will receive BRL 15,000.00 and BRL 10,000.00 in credits or payment, respectively.
5. B3 will inform the market makers of the benefit no later than the last business day of the month after that of their activity.

If the market makers choose to receive the benefit as payment of the net amount, they must inform B3 of bank payment details such as NIF, IBAN and SWIFT code, among others set out in the Commitment Agreement.

If the market makers choose credits, they must designate an exclusive settlement account to receive the benefits as set out in the Accreditation Instrument. The credits may be used for deducting exchange fees and other fees that B3 charges on transactions on one the assets listed below.

- Cash Settled Live Cattle (BGI)
- 4/5 Arabic Coffee (ICF)
- Cash Settled Hydrous Ethanol (ETH)

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- Cash-Settled Soybean Futures Contract at the Price of the CME Group Mini-Sized Soybean Futures Contract (SJC)
- FOB Santos Soybeans (Platts) Futures Contract (SOY)
- U.S. Dollar Futures Contract (DOL)
- Mini U.S. Dollar Futures Contract (WDO)
- One-Day Interbank Deposit Futures Contract (DI1)

Whatever the selected payment method (bank transfer or credits to discount fees paid on a determined product), payment will always be made on M+2 (between the first and the last business day of the second month following the calculation period).

## **Annex III to CIRCULAR LETTER 057/2023-PRE**

### **Additional benefit for FOB Santos Soybeans Futures (SOY) market makers**

Market makers in the FOB Santos Soybeans (Platts) Futures Contract will receive the benefit in accordance with their trading volume in this asset in the activity month.

Every month BRL 100,000.00 will be distributed in credits or as a payment, allocated among market makers active in the program in accordance with their trading volume and in compliance with the following criteria:

- 1.** The market maker must state in the Accreditation Instrument how it wants to use its benefit, whether as credits or paid to it as a net amount - in which case it will be taxed at source pursuant to the tax legislation prevailing on the date the financial resources are made available and will be subject to bank fees and other fees or taxes charged when remitting resources overseas, when applicable.

The market makers may change these financial instruments that will receive the credits during the course of the program, with 30 days prior notice, sending notification to [formadordemercadob3@b3.com.br](mailto:formadordemercadob3@b3.com.br).

- 2.** The market maker will be eligible to receive the credits or payment when it meets the parameters for maximum spread, minimum lot, trading session activity period and settlement price formation window, as designated in the

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Commodities Market Makers Parameters defined at [http://www.b3.com.br/en\\_us/](http://www.b3.com.br/en_us/), Products and Services, Trading, Market maker, Programs, Commodities, Program Rules.

3. If the market maker meets the above parameters, it will join the monthly pool of BRL 70,000.00 in credits or payment, a portion of which each market maker will receive in accordance with its market share in the trading volume of FOB Santos (Platts) Soybean Futures Contracts in that month.
4. In addition to this, the first and second placed market makers in the monthly ranking of market share of volume will receive BRL 20,000.00 and BRL 10,000.00 in credits or payment, respectively.
5. B3 will inform the market makers of the benefit no later than the last business day of the month after that of their activity.

If the market makers choose to receive the benefit as payment of the net amount, they must inform B3 of bank payment details such as NIF, IBAN and SWIFT code, among others set out in the Commitment Agreement.

If the market makers choose credits, they must designate an exclusive settlement account to receive the benefits as set out in the Accreditation Instrument. The credits may be used for deducting exchange fees and other fees that B3 charges on transactions on one the assets listed below.

- Cash Settled Live Cattle (BGI) Futures and Options
- Cash-Settled Corn (CCM) Futures and Options
- 4/5 Arabic Coffee (ICF) Futures and Options

- Cash Settled Hydrous Ethanol (ETH) Futures
- U.S. Dollar Futures Contract (DOL)
- Mini U.S. Dollar Futures Contract (WDO)
- One-Day Interbank Deposit Futures Contract (DI1)

Whatever the selected payment method (bank transfer or credits to discount fees paid on a determined product), payment will always be made on M+2 (between the first and the last business day of the second month following the calculation period).