

September 13, 2017

056/2017-DP

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

To: B3 Market Participants – BM&FBOVESPA Segment

Re: **Accreditation Process in the Market Maker Program for the Brazil Index-50 Futures Contract (BRI).**

B3 hereby informs you of the start of the Market Maker Accreditation Program for the Brazil Index-50 Futures Contract (Program).

For this Program, there will be accreditation of up to five (5) Market Makers.

Accreditation process

Institutions that wish to take part in the Program can find the relevant information in the Procedures Guide for the Accreditation of Derivatives Contract Market Makers (Guide), at www.bmfbovespa.com.br/en_us/, Services, Market Maker, Join in, Accreditation.

If the number of accreditation requests surpasses the number of available openings and/or if they are made outside of the time frame given in this Circular Letter (as long as there is due justification for this delay), the selection of the Market Makers to be accredited shall be at the sole discretion of B3.

Time frames

Submission of the Instrument of Accreditation	Registration of accounts	Start of activity	End of link
Until November 10, 2017	November 30, 2017	December 14, 2017	December 13, 2018

B3 may, at its sole discretion, assess the accreditation applications submitted outside the time frames indicated in this Circular Letter, provided there is due justification for this.

Activity parameters

The Market Makers accredited in this Program shall trade in accordance with the following activity parameters (Parameters):

Security	Spread (points)	Round lot	Activity period during the trading session	Contract months
Brazil Index-50 (BRI)	50	15 contracts	80%	1 st & 2 nd

Please note that Market Makers shall perform their activity in up to five (5) business days before the expiration date of the first contract month authorized for trading. As of the fourth business day prior to such expiration date, Market Makers' activity is no longer mandatory for the first contract month, and their obligation shall pass on to the two subsequent contract months authorized for trading.

The daily mandatory activity period for Market Makers shall be at least 80% (eighty per cent) of the trading session in the stock and ETF markets so that there is no adverse effect on hedging.

Test period

The accredited institution shall enjoy the Market Maker benefits specified below, without having to observe the Parameters, for up to ten (10) business days before the start of its mandatory activity, so that it can execute connectivity, trading session and order routing tests, as well as other necessary technological configurations. After the test period, the activity of the institutions accredited as Market Makers shall be monitored by B3.

Maximum number of parameter breaches

Accreditation to this Market Maker Program may be cancelled if, more than twelve (12) times there are unjustified breaches of the obligations set forth in this Circular Letter and in the Agreement of Accreditation for Market Maker Activity, or if there is a justification not accepted by B3.

Minimum time frame for activity

If the Market Makers desist from the process, without having begun its activities in this Program, they shall be exempted from meeting the minimum time frame for activity of thirty (30) days as set forth in the Circular Letter 109/2015-DP of October 8, 2015. If this cessation occurs after the start of its activity, the Market Makers must, without fail, comply with the thirty (30) days prior notice, so that the deaccreditation may be communicated to the market.

Benefits

The accredited institutions shall be exempted from the (i) fixed and variable, (ii) settlement, and (iii) permanence Exchange fees and other fees, if any, charged on transactions with any contract month of this Program's securities and hedge trades with shares that are part of the theoretical portfolio of the Brazil Index-50 Futures, or with shares in ETFs that track the index, as long as these trades have been executed for such purpose, in accordance with the criteria and limits defined in the Fee Policy annexed to this Circular Letter.

The flow of messages, trades and volume generated by the accredited institutions will not be considered for the purposes of the Policy for the Control of Trading Messages, as set forth in Circular Letters 039/2013-DP of May 27, 2013 and 050/2013-DP of July 30, 2013.

General provisions

Any omissions regarding this accreditation process and the Program shall be resolved by B3.

Further information may be obtained from the Client and Business Development Department, by telephone at (+55 11) 2565-7498.

Gilson Finkelsztain
Chief Executive Officer

José Ribeiro de Andrade
Chief Product and Client Officer

Annex to Circular Letter 056/2017-DP

MARKET MAKER FEE POLICY FOR THE BRAZIL INDEX-50 FUTURES CONTRACT (BRI)

1. Market Maker eligibility conditions

This Fee Policy applies only to the Market Makers accredited by B3 in this Program (Market Maker Accreditation) and is subject to compliance with the requirements described herein.

2. Applicable fee

Exchange fees and other fees shall be fully exempted on the buying and selling of the Brazil Index-50 Futures Contract (BRI) by Market Makers that meet the eligibility conditions described herein.

3. Hedge trade exemption

Market Makers accredited for activity in the Brazil Index-50 Futures Contract shall be exempted from paying the Exchange fees and the settlement fee on hedge trades with shares that are part of the theoretical portfolio of the Brazil Index-50 Futures Contract or with shares in ETFs that track that same index, in accordance with the criteria and limits defined in items (a) and (b) below.

a) Limit for hedge trade exemptions

Market Makers shall be exempted from the payment mentioned in item 3 above, if:

- (i) the full financial volume from buying and selling ETF shares for hedging purposes, in the account designated for Market Maker activity, in accordance with item (b) below, shall not exceed that executed in selling and buying (offsetting), respectively, of the Brazil Index-50 Futures Contract in which Market Maker trades; and
- (ii) the financial volume from buying and selling for hedging purposes with each of the shares in the theoretical portfolio of the reference index is limited to 30% (thirty per cent) of the financial volume, on the same

day, in reference to selling and buying (offsetting), respectively, of the Brazil Index-50 Futures Contract in which Market Maker executes its activity.

Should Market Maker surpass the limits defined in items (i) and (ii) on one or more days, the Exchange Fees and other fees foreseen in the prevailing fee policy for the applicable cash equity market products shall be charged on the daily excess volume. In this case there shall be no consideration of differentiation by investor type, of policies of progressive discounts per average daily trading volume (ADTV) tier, of day trade volume, or of any other discount that B3 might institute.

In order for the exemption mentioned in item 3 to come into effect, there shall be no consideration of buying and selling equities and ETF shares on the Exchange's odd lots market.

Market Maker shall be responsible for payment of the full value of the Exchange fees and the settlement fee in regard to the excess daily volumes accumulated over the month, up until the last business day of the subsequent month.

b) Account for exemption in hedge trades

To be eligible for the exemption described above in item 3, the Market Maker must define a specific and exclusive account solely for hedging with the Brazil Index-50 Futures Contract, independently of the quantity of accounts that it holds for the exercise of its activity.

4. General provisions

If Market Maker is de-accredited by B3 or requests deaccreditation before the time limit for its link, the exemptions foreseen in items 2 and 3 of this Policy shall cease to be applicable as of the date of its deaccreditation.

Market Makers of the other securities accepted for trading in the markets operated by B3 will not be subject to this Fee Policy.