

December 7, 2017

077/2017-DP

## **C I R C U L A R   L E T T E R**

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

Re: **Market Maker Accreditation Process for Put Options on PETR4 and VALE3 and for Options on HYPE3, SUZB3, FIBR3, RADL3, EQTL3, EMBR3, RAIL3, BRKM5, MULT3 and LAME4.**

Under the present Program, up to three (3) Market Makers will be accredited for the group comprising put options on shares in Petrobras S.A. (PETR4) and Vale S.A. (VALE3), as well as options on shares in the following ten companies:

Hypermarcas S.A. (HYPE3)	Embraer S.A. (EMBR3)
Suzano Papel e Celulose S.A. (SUZB3)	Rumo S.A. (RAIL3)
Fibria Celulose S.A. (FIBR3)	Braskem S.A. (BRKM5)
Raia Drogasil S.A. (RADL3)	Multiplan Empreendimentos Imobiliários S.A. (MULT3)
Equatorial Energia S.A. (EQTL3)	Lojas Americanas S.A. (LAME4)

Market Makers accredited under this Program must trade in all the above options. Partial accreditation is not allowed.

### **Accreditation process**

Institutions that wish to participate in this Program should seek guidance in the Procedures Guide for the Accreditation of Derivatives Contract Market Makers (Guide), available at [www.bmfbovespa.com.br/en\\_us](http://www.bmfbovespa.com.br/en_us), Services / Market Maker / Join in / Accreditation.

If the number of accreditation requests exceeds the number of openings, the Market Makers to be accredited shall be selected at the sole discretion of B3.

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## Timetable

Filing of accreditation application	Account registration	Start of obligations	End of obligations
By Feb. 8, 2018	Mar. 15, 2018	Apr. 2, 2018	Jun. 30, 2019

B3 may at its sole discretion examine accreditation requests filed after the above deadline, provided they are duly justified.

## Market Maker's obligations

Market Makers accredited under this Program must make bids and offers in accordance with the following parameters:

Security	Spread (R\$)	Round lot	Contract months	Period of activity during trading session
PUT PETR4	0.02	30,000	1st	80%
	0.03	20,000	2nd	
	0.06	15,000	1st quarterly	
	0.08	15,000	2nd quarterly	
	0.09	15,000	3rd quarterly	
PUT VALE3	0.03	15,000	1st	
	0.06	10,000	2nd	
	0.12	10,000	1st quarterly	
	0.15	10,000	2nd quarterly	
	0.16	10,000	3rd quarterly	
HYPE3	0.05	2,600	1st and 2nd	
SUZB3	0.03	3,800		
FIBR3	0.07	2,000		
RADL3	0.10	1,300		
EQTL3	0.07	1,600		
EMBR3	0.05	3,200		
RAIL3	0.03	8,800		
BRKM5	0.08	1,500		
MULT3	0.10	1,100		
LAME4	0.05	3,300		

It is important to note that Market Makers must make bids and offers at least until five (5) business days before the first contract month expiration date and the first quarterly expiration date available for trading. As of the fourth business day after these dates, Market Makers will no longer be obliged to trade the first contract month and the first quarterly, but will remain obliged to trade in the subsequent contract months admitted to trading. Their obligations will therefore be as follows:

Period		1st	2nd	Period		1st qtrly	2nd qtrly	3rd qtrly
Starts	Ends			Starts	Ends			
Apr. 4, 2018	Apr. 10, 2018	<b>Apr/18</b>	May/18	Apr. 2, 2018	May 15, 2018	<b>Jul/18</b>	<b>Oct/18</b>	<b>Jan/19</b>
Apr. 11, 2018	May 15, 2018	May/18	Jun/18					
May 16, 2018	Jun. 12, 2018	Jun/18	<b>Jul/18</b>	May 16, 2018	Aug. 14, 2018	<b>Oct/18</b>	<b>Jan/19</b>	<b>Apr/19</b>
Jun. 13, 2018	Jul. 10, 2018	<b>Jul/18</b>	Aug/18					
Jul. 11, 2018	Aug. 14, 2018	Aug/18	Sep/18					
Aug. 15, 2018	Sep. 11, 2018	Sep/18	<b>Oct/18</b>	Aug. 15, 2018	Nov. 12, 2018	<b>Jan/19</b>	<b>Apr/19</b>	<b>Jul/19</b>
Sep. 12, 2018	Oct. 8, 2018	<b>Oct/18</b>	Nov/18					
Oct. 9, 2018	Nov. 12, 2018	Nov/18	Dec/18					
Nov. 13, 2018	Dec. 11, 2018	Dec/18	<b>Jan/19</b>	Nov. 13, 2018	Feb. 12, 2019	<b>Apr/19</b>	<b>Jul/19</b>	<b>Oct/19</b>
Dec. 12, 2018	Jan. 15, 2019	<b>Jan/19</b>	Feb/19					
Jan. 16, 2019	Feb. 12, 2019	Feb/19	Mar/19					
Feb. 13, 2019	Mar. 12, 2019	Mar/19	<b>Apr/19</b>	Feb. 13, 2019	May 14, 2019	<b>Jul/19</b>	<b>Oct/19</b>	<b>Jan/20</b>
Mar. 13, 2019	Apr. 9, 2019	<b>Apr/19</b>	May/19					
Apr. 10, 2019	May 14, 2019	May/19	Jun/19					
May 15, 2019	Jun. 30, 2019	Jun/19	<b>Jul/19</b>	May 15, 2019	Jun. 30, 2019	<b>Oct/19</b>	<b>Jan/20</b>	<b>Apr/20</b>

Mandatory series and Market Maker selection rules are available at [www.bmfbovespa.com.br/en\\_us/](http://www.bmfbovespa.com.br/en_us/), Services / Market Maker / Derivatives / Options.

### Test period

Market Makers may enjoy the benefits specified below without having to observe the obligations set out in the above table for up to ten (10) business days before the start of their mandatory activity so that they can perform connectivity, trading session and order routing tests, as well as the necessary technological configurations. After this test period, Market Makers' activities will be monitored by B3.

**Maximum number of parameter breaches**

Accreditation to the Market Maker program may be cancelled in the event of more than 12 (twelve) unjustified breaches of the Parameters and/or obligations set forth herein and in the Master Agreement, or if the justification is not accepted by B3.

**Minimum activity period**

If a Market Maker desists from the accreditation process without having begun its activities under the Program, it will be exempted from meeting the minimum activity period of thirty (30) days required by Circular Letter 109/2015-DP, dated October 8, 2015. If withdrawal occurs after the start of its activity, the Market Maker must comply with the thirty-day notice period without fail, so that its deaccreditation can be communicated to the market.

**Benefits**

Accredited institutions shall be exempted from exchange fees, fixed and variable fees, settlement fees and permanence fees, if any, on executed trades, including those involving non-mandatory series, in the cash and/or futures markets for the assets underlying the options in each program, as long as they have been executed for delta hedging purposes in the same trading session in which the asset was traded. The delta hedging percentage will be 50% (fifty per cent), to be applied to the quantity of options traded in all option series on the day it is calculated, including for non-mandatory series.

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

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## **General provisions**

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

Further information may be obtained from Product and Client by telephone on +55 11 2565-4218/5338/5685 or by email at. [formadordemercadob3@b3.com.br](mailto:formadordemercadob3@b3.com.br).

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