

March 21, 2024  
034/2024-PRE

## CIRCULAR LETTER

Revoked by Circular Letter No. 114/2024-PRE, dated August 20, 2024

Listed B3 Participants

Re.: **Market Maker Program for Options on Single Stocks, Units and ETFs  
– December Tranche**

We hereby inform you that, as **of April 22, 2024**, included, the GOLL4 asset will be excluded from the list of assets of the Market Maker Program for Options on Single Stocks, Units and ETFs, due to the exclusion of GOLL4 from B3's indexes. The rest of the program's features remain unchanged.

Five to seven market makers will be accredited under this program for options on each of the following stocks:

B3 may, at its sole discretion, increase the number of slots available for accreditation, limited to 10 vacancies per ticker, where institutions will be selected respecting the ranking of this selection process in accordance with Annexes of this Circular Letter.

Ambev S.A. (ABEV3)	Iguatemi S.A. (IGTI11)
Alpargatas S.A. (ALPA4)	Itaú Unibanco Holding S.A. (ITUB4)
Aliansce Sonae Shopping Centers S.A. (ALOS3)	JBS S.A. (JBSS3)
Arezzo Indústria e Comércio S.A. (ARZZ3)	JHSF Participações S.A. (JHSF3)

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Sendas Distribuidora S.A. (ASAI3)	Klabin S.A. (KLBN11)
B3 S.A. – Brasil, Bolsa, Balcão (B3SA3)	Lojas Renner S.A. (LREN3)
Minerva S.A. (BEEF3)	Locaweb S.A. (LWSA3)
Cotas do ETF IT NOW Ibovespa (BOVV11)	MRV Engenharia e Participações S.A. (MRVE3)
Banco BTG Pactual S.A. (BPAC11)	Natura Cosméticos S.A. (NTCO3)
Banco Pan S.A. (BPAN4)	Petz S.A. (PETZ3)
BRF S.A. (BRFS3)	Positivo Tecnologia S.A. (POSI3)
Méliuz S.A. (CASH3)	Petro Rio S.A. (PRIO3)
CCR S.A. (CCRO3)	Qualicorp S.A. (QUAL3)
Cielo S.A. (CIEL3)	Raizen S.A. (RAIZ4)
Cemig S.A. (CMIG4)	Rede D’Or S.A. (RDOR3)
CSN Mineração S.A. (CMIN3)	Localiza Rent a Car S.A. (RENT3)
CPFL Energia S.A. (CPFE3)	3R Petroleum Óleo e Gás (RRRP3)
Copel S.A. (CPLE6)	Banco Santander Brasil S.A. (SANB11)
Carrefour BR S.A. (CRFB3)	Sabesp S.A. (SBSP3)
Cosan S.A. (CSAN3)	SLC Agrícola S.A. (SLCE3)
CVC Brasil S.A. (CVCB3)	Cotas do ETF Ishares BMFBovespa Small Cap Fundo de Índice (SMAL11)
Dexco S.A. (DXCO3)	São Martinho S.A. (SMTO3)
Ecorodovias S.A. (ECOR3)	Grupo Soma (SOMA3)
Eletrobras S.A. (ELET3)	TIM S.A. (TIMS3)

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Eneva S.A. (ENEV3)	Totvs S.A. (TOTS3)
Energisa S.A. (ENGI11)	Ultrapar Participações S.A. (UGPA3)
EZ TEC Empreendimentos e Participações S.A. (EZTC3)	Usiminas S.A. (USIM5)
Fleury S.A. (FLRY3)	Telefônica Brasil S.A. (VIVT3)
Hapvida Part. E Investimentos S.A. (HAPV3)	Weg S.A. (WEGE3)

### Selection procedure

Institutions that wish to take part in the program must request accreditation by sending the completed Expression of Interest form designating the options in which they wish to make market, to [formadordemercadob3@b3.com.br](mailto:formadordemercadob3@b3.com.br) by the deadline defined in this Circular Letter.

The Expression of Interest form is available at [www.b3.com.br/en\\_us](http://www.b3.com.br/en_us), Products and Services, Trading, Market Maker, Join in, Programs, Options on Single Stocks – December Renewal.

After receiving the Expression of Interest form, B3 will accordingly allocate options to each of the selected institutions, respecting the number of openings offered. B3 will then announce the institutions selected for each option.

If the number of applications for accreditation exceeds the number of openings offered, B3 will select the applicants to be accredited by means of the process described in Annex I to this Circular Letter.

Having completed the selection process, B3 will announce individually the institutions selected for the program and the scores of all the institutions that

participated in the process. The public announcement of all the accredited institutions will occur as of the first day of activity of the program.

### **Accreditation procedure**

The selected institutions must formalize their accreditation as market makers for the options concerned by signing the Accreditation Instrument and filing it by the deadline stipulated in this Circular Letter.

Guidance on the procedure for submitting the Accreditation Instrument can be found in the Guide to Procedures for the Accreditation of Market Makers (Accreditation Guide), available at [www.b3.com.br/en\\_us](http://www.b3.com.br/en_us), Products and Services, Trading, Market Maker, Join in, Accreditation.

Institutions that have not yet signed the Market Maker Accreditation Agreement with B3 must follow the procedures set out in items 4, 5 and 6 of the Accreditation Guide.

For this program, a specific Accreditation Instrument form is available at [www.b3.com.br/en\\_us](http://www.b3.com.br/en_us), Products and Services, Trading, Market Maker, Join in, Programs, Options on Single Stocks – December Renewal.

### **Timetable**

<b>Expression of Interest Filed</b>	<b>Selected market makers announced</b>	<b>Accreditation Instrument filed</b>	<b>Accounts registered</b>	<b>Activity starts</b>	<b>Obligation ends</b>
By Nov. 10, 2023	Nov. 14, 2023	By Nov. 28, 2023	By Nov. 28, 2023	Dec. 11 2023	Dec. 6, 2024

B3 may at its sole discretion assess accreditation 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 trading parameters defined by B3.

The list of options on single stocks eligible for the program and the respective activity parameters can be found in the document Rules for Activity by Market Makers Program in Options on Single Stocks, available at [www.b3.com.br/en\\_us/Products and Services, Trading, Market Maker, Join in, Programs, Options on Single Stocks - December Renewal](http://www.b3.com.br/en_us/Products_and_Services/Trading/Market_Maker/Join_in/Programs/Options_on_Single_Stocks_-_December_Renewal).

Market makers are required to trade for at least ten minutes in the last thirty minutes of each trading session. They are also required to register bids and asks until the fifth business day before expiration of the first contract month available for trading. As of the fourth business day before these dates, they are not obliged to trade in the first contract month but must trade in the next two contract months authorized for trading.

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 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.

The mandatory series and rules for market maker selection are available at [www.b3.com.br/en\\_us](http://www.b3.com.br/en_us), Products and Services, Trading, Market maker, Derivatives, Options.

### **Test period**

Market makers enjoy the benefits specified below without having to observe the activity parameters for up to ten business days after the start of their mandatory activity so that they can execute connectivity, session and order routing tests, as well as the necessary technological configurations. The market makers that require this period must inform B3 of the accounts for market making activities at least ten business days before the program starts. After the test period, B3 will monitor market makers' activities.

### **De-accreditation**

In the event of de-accreditation of market makers for the securities listed in this program, B3 may select other institutions that have expressed interest in the securities concerned to replace the de-accredited institutions.

Accreditation and de-accreditation of market makers will always be disclosed to participants via B3's usual communication channels.

**Maximum number of parameter breaches**

Any market maker's accreditation under this program may be cancelled in the case of non-compliance with the parameters and/or obligations set forth herein, or in Circular Letter 084/2023-PRE, dated May 30, 2023, regarding the rules for monitoring market maker non-compliance, or in the Market Maker Accreditation Agreement, in a way that is either unjustified or whereby B3 does not accept the justification given. The Agreement is available at [www.b3.com.br/en\\_us/](http://www.b3.com.br/en_us/), Products and Services, Trading, Market maker, Join In, Contracts, Options.

**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.

**Benefits**

Market makers will be exempt from exchange fees and other fees on trades in all the option series, including non-mandatory series.

They will also be exempt from payment of exchange and other fees on trades in the option underlyings performed in the cash markets for the purpose of delta hedging in the same trading session as the options.

For the purposes of this program, the delta hedging percentage considered will be fifty per cent (50%) in proportion to the notional value of the cash contract for options on single stocks, to be applied to the quantity of options traded for all series of the underlying on the day it is calculated.

Market makers that exceed the above delta hedging limit on one or more days will have to pay the fees described in Annex II on the daily cash market excess volume.

Market makers will be responsible for paying the full amount of the exchange fees and settlement fees on daily excess volumes accumulated in any given month on the second business day of the subsequent month.

Furthermore, in order to be eligible for exemption from fees on delta hedging, market makers must designate a specific account to be used solely for the purpose of delta hedging with respect to the options for which they are accredited, regardless of the number of accounts they may use to perform their market making activities. Compliance with this rule assures correct application of the benefits of this and other programs with which the participant is accredited.

The trading volume in accounts and assets registered in the program, both for activity in the program and for hedging purposes, is not considered in the daily calculation of day trade volume that is used for definition of the day trade fee level for the cash equities market or for the options market.

The flow of messages, trades and volumes generated by accredited institutions will be considered for the purposes of the Policy for the Control of Trading Messages, as set forth in Circular Letter 086/2023-PRE, dated May 30, 2023.



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## **General provisions**

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

This Circular Letter revokes and substitutes Circular Letter 174/2023-PRE, dated October 26, 2023

Further information can be obtained from the Electronic Trading Department by calling +55 11 2565 5026 or emailing [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 034/2024-PRE**

### **Selection Process for the Market Maker Program in Options on Single Stocks, Units and ETFs**

#### **1. Eligibility**

Only institutions that file a properly completed Expression of Interest form in accordance with this Circular Letter will be considered eligible for the selection process.

#### **2. Selection model**

The openings available for accreditation of market makers under this program will be divided into two selection methods:

- Two openings reserved for the primary allocation;
- Other 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 previous program, or if a new instrument is launched in the program, the opening reserved for the primary allocation will be made available for the secondary allocations.

## 2.1. Primary allocation

To be eligible for primary allocations, institutions:

- a) must have been accredited for the previous market maker program;
- b) must express an interest in the asset in this program.

Selection in the primary allocation will be based on the following variables, with their respective weightings, as follows.

- **Average daily volume (ADV) Maker:** trading participation in the option contract among the interested institutions in the last six months before the start of the selection process, considering only trades executed through “maker” orders, (50%).
- **Performance:** this covers the activity performance in the option for the previous market maker program and considers activity since the start of the program (50%).

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

For the pre-selected institution to be qualified for accreditation in the program, the spread it offers in the auction must respect the program’s spread defined by auction in the secondary allocation. If the offer made in the auction is larger than the program’s spread, the institution must inform B3 if it accepts activity with the defined value. If it does not accept it, the opening will be automatically made available for secondary allocations in which the institution will compete with the other institutions.

## 2.2 Secondary allocation

Institutions not selected for primary allocation may be selected for secondary allocation on the basis of a scoring system in which those with the highest scores will be accredited for the program.

To calculate each interested institution's score, B3 will analyze the variables shown below with their respective weightings:

- **Spread auction:** each institution will make an offer in the spread auction which must be the same as or better than the maximum spread determined by the program's rules (33%).
- **Total assets:** the number of options in which the institution wishes to be accredited (12%), with each asset having a different weighting in accordance with the Expression of Interest form, available at [www.b3.com.br/en\\_us](http://www.b3.com.br/en_us), Products and Services, Trading, Market Maker, Join in, Programs, Options on Single Stocks – December Renewal.
- **Average daily volume (ADV):** participation relative to trading in the option contract among interested institutions, in the last six months before the start of the selection process, with transactions considered that are executed through "maker" (weighting 2 in the points system) and "taker" (weighting 1 in the points system) orders (33%).
- **Performance:** regards the activity performance for the previous market maker program and considers activity since the start of the program (22%).

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The institution with the best score is selected in accordance with the scoring system.

The spread for market makers in the program will be subject to the largest spread offered by the institutions selected for secondary allocation and will be updated when the selected market makers are announced.

The institution must state its proposed spread in its Expression of Interest form, based on the reference parameters defined by B3 in the document Market Maker Program – Options on Single Stock, available at [www.b3.com.br/en\\_us](http://www.b3.com.br/en_us), Products and Services, Trading, Market Maker, Join in, Programs, Options on Single Stocks – December Renewal.

The proposals filed by institutions will be confidential at all times.

## **Annex II to CIRCULAR LETTER 034/2024-PRE**

### **Fees on day trade and non-day trade excess volumes in excess equity options**

#### **1. Segregation of the assets' financial volume for hedging between day trade and non-day trade volume**

Calculation of the excess day trade volume and excess non-day trade volume of the underlying, in the designated account, is defined daily as follows:

$$\text{Excess day trade volume} = 2 \times \text{Minimum (PV, SV)}$$

$$\text{Excess non-day trade volume} = (\text{PV} + \text{SV}) - \text{Excess day trade volume}$$

Where:

- PV = excess purchase volume in the underlying
- SV = excess sales volume in the underlying

#### **2. Application of trading and settlement fees for excess volume**

The trading and settlement fees for the cash market are applied daily for excess day trade and non-day trade volume.

Exchange fees and other fees on the excess volume are accumulated and executed in the month following that of execution.

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None of the volume (whether exempted or subjected to a fee as excess) of the asset in the account registered in this program is considered in the ADTV composition, which daily defines the trading and settlement fees for day trade volumes.

Fee benefits and other B3 programs are not applicable on the excess volumes in the accounts registered in this program.