March 20, 2025
011/2025-VNC

EXTERNAL COMMUNICATION

Listed B3 Participants

Re.:   **B3 Market Data – Order Book Management Based on Price / Priority**

As part of the continuous enhancement process to its trading systems and seeking to anticipate market participants' planning, B3 hereby informs you that it will make improvements to Binary UMDF order book management.

Order book management will now be based on priority rather than on position, with the main benefits being:

- Greater operational efficiency, with more efficient order exclusions and modifications (minimizing computational processing and reducing latency).

- Alignment with global standards, resulting in greater flexibility for integration of systems.

- Viability of a natural update approach as orders will be managed independently.

I. Main updates to the Binary UMDF specification

1. Updates to the Binary UMDF specification

The changes will have minimal impact on the current messages structure, with the Market By Order (MBO) feed being maintained and priority henceforth determined by the ID of the order (SecondaryOrderID, already present in the current messages) for all orders at the same price level.

The main features of this update are:

- Order book management mechanism based on price / priority (MDEntryPx / SecondaryOrderID).

- MDEntryPositionNo field and MDEntryPositionNo type marked as obsolete and optional.

- Mass delete removed (MassDeleteOrders_MBO, 279=4 DELETE_FROM), with deletions henceforth sent in individual messages (DeleteOrder_MBO) in equivalent quantities.

- MDEntrySize field in the DeleteOrder_MBO message will be present in all cases.

- MDEntryPx optional field included in the DeleteOrder_MBO message.

- matchEventIndicator field in the SnapshotFullRefresh_Orders_MBO message will be mandatory to avoid ambiguity about when bits are defined.

- transactTime fields substitutes MDEntryTimestamp in the Order_MBO, DeleteOrder_MBO, MassDeleteOrders, ExecutionSummary, Trade, ForwardTrade and TradeBust messages.

- lastSequenceVersion (tag 37084) optional field added to the end of the SnapshotFullRefresh_Header message.

The detailed technical specification of the modifications (BinaryUMDF-OrderManagementPricePriority) and the templates file (b3-market-data-messages-2.1.0) are available for consultation at https://clientes.b3.com.br/en/, Roadmap, Projects, View all proje Binary UMDF: Order Book Management Based on Price/OrderID, Support Material.

2. Update timetable and stages

2.1 Mass delete entry deactivation

At this first stage, mass delete orders will no longer be entered (MassDeleteOrders_MBO, 2769=4 DELETE_FROM), with deletions sent in individual messages (DeleteOrder_MBO) in equivalent quantities instead.

2.2. Certification environment

Order Book management based on price/priority will be available in a certification environment, initially with the simultaneous publication of the position MDEntryPositionNo) and priority (determined by the SecondaryOrderID). Later, publication of the position will be disabled, with only the priority remaining.

Certification will not be mandatory.

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2.3 In production update of the templates file and simultaneous publication of position (MDEntryPositionNo) and priority (determined by SecondaryOrderID)

At this second stage, Binary Market Data publications will be based on the new "Schema version" 15 in a production environment. During this transition period, publication of the position through the MDEntryPositionNo field will still occur simultaneously with the priority determined by the SecondaryOrderID field. The update to the new version of the templates file **will be mandatory**.

Provision of the solution in production at this stage with simultaneous support for both of the order book management mechanisms (priority and position) will allow participants to migrate their systems in a controlled manner before support ends for order book management based on position.

2.4 End of support for order book management based on position

At this third stage, support will end for order book management based on position, with the deactivation of the MDEntryPositionNo field, which will have its value redefined to zero ("0").

2.5 Update timetable

The dates for provision in the certification environments and for the go live stages in Binary Market Data are available at https://clientes.b3.com.br/en, Highlights, B3 Tech Launches | Trading, Order Book Management Based on Price/OrderID.

II. Main updates to the FIX/FAST UMDF specification

Please note that the change to the mechanism of order book management based on price / priority (MDEntryPx / SecondaryOrderID) only applies to Binary UMDF,

with the mechanism based on position used at FIX/FAST UMDF remaining unchanged.

Thus, as part of the continuous enhancement process to its trading systems and seeking greater transparency and security during updates to the FIX/FAST UMDF and UMDF Conflated Market Data Platforms, the mass delete messages with Delete From (tag 279=4) action type will cease to be sent, with deletions sent instead in individual messages in equivalent quantities.

The publication of the MDEntryPx (tag 270) optional field will also occur in the order delete messages (tag 279=2 Delete).

These updates aim for compatibilization with the publication origin of the Binary UMDF messages and are in line with the FIX/FAST UMDF specification, with no impact expected on the participants.

More details about the migration plan will be reported at https://clientes.b3.com.br/en/, Posts, News, Highlighted News, B3 Tech Launches | Trading.

Further information can be obtained from Trading Support by telephone on +55 11 2565-5021 or by email at tradingsupport@b3.com.br.

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