

November 19, 2024
015/2024-VPC

CIRCULAR LETTER

Listed B3 Participants

Re.: **Market Maker Accreditation Process for the ISP, WSP, BRI, XFI, DAX, ESX and HSI Futures Contracts**

B3 hereby informs you of the Market Maker Accreditation Process for the S&P 500 Futures Contract (ISP), Micro S&P 500 Futures Contract (WSP), Brazil Index 50 Futures Contract (BRI), IFIX Futures Contract (XFI), DAX Futures Contract (DAX), Euro STOXX 50 Futures Contract (ESX) and Hang Seng Futures Contract (HSI).

Up to 5 (five) market makers will be accredited for each program.

Each program referred to in this Circular Letter is **independent**, with **different adhesions** required for each.

Accreditation procedure

Institutions that wish to take part in the program are advised to consult the Procedures Guide for Accreditation of Market Makers, available at www.b3.com.br/en_us/, Products and Services, Trading, Market maker, Accreditation, Procedures Guide for the Accreditation of Derivatives Market Makers.

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Timetable

Accreditation instrument filed	Accounts registered	Activity starts	Obligation ends
By Nov. 29, 2024	By Nov. 29, 2024	Dec. 17, 2024	Dec. 12, 2025

B3 may, at its sole discretion, assess any market maker applications submitted after these deadlines, as long as there are openings available in the program. If applicable, the openings will be filled based on the order that the requests are made.

The duration of this program may be extended at B3's sole discretion. If the end of the obligation is deferred, B3 will issue a Circular Letter with information on the length of the extension, any changes to the activity parameters, and other necessary provisions. Market makers will be free to choose whether to continue trading as such until the new date for the end of the obligation or conclude their accreditation on the date currently given in this present Circular Letter.

Activity parameters

Market makers must enter bids and asks in accordance with B3's activity parameters.

The list of assets eligible for the **ISP, WSP, BRI, XFI, DAX, ESX** and **HSI** programs, as well as their respective activity parameters, can be found in the document Index Futures - Parameters, available at www.b3.com.br/en_us, Products and Services, Trading, Market maker, Programs – Listed, Futures, Index Futures Contracts (ISP, WSP, BRI, XFI, DAX, ESX and HSI), Index Futures Contract Market Maker Program Rules.

Please note that in the case of the **ISP, WSP, XFI, DAX and ESX** programs, market makers will also be required to contribute, **respectively**, to market making in the S&P 500 Futures Rollover (RSP), the Micro S&P 500 Futures Rollover (WS1), the IFIX Futures Rollover (XR1), the DAX Futures Rollover (DA1) and the Euro Stoxx 50 Futures Rollover (ES1). The market maker may request exemption from rollover activity, in which case it will be ineligible for the respective benefits for the transactions executed with these instruments.

Depending on market conditions or at the request of the market makers, 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 7 (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.

Test period

The market makers shall enjoy the following benefits, without complying with the activity parameters, at the sole discretion of B3, for a period of 10 (ten) business days after the start of their mandatory activity, so that they can perform connectivity, session, and order routing tests, as well as the necessary technological configurations. During the test period, B3 will monitor the market makers' activity and any noncompliance will be waived.

De-accreditation

In the event of de-accreditation of market makers in this program, B3 may select other institutions that have expressed interest in the options concerned to replace the de-accredited institutions, following the same accreditation procedures foreseen herein.

Accreditation and de-accreditation of market makers will always be disclosed to participants via B3's usual communication channels, among which the Market Maker bulletin on the B3 website.

Maximum number of parameter breaches

Any market maker's accreditation under this program may be cancelled in the event of unjustified breaches of the activity parameters and/or of the obligations set forth in this Circular Letter, in Circular Letter 084/2023-PRE, dated May 30, 2023, regarding noncompliance of the market maker and with the Market Maker Agreement (Agreement of Accreditation for Market Maker Activity), in a way that is unjustified or if the justification is not accepted by B3. The Agreement is available at www.b3.com.br/en_us, Products and Services, Trading, Market maker, Accreditation, Market Maker Agreement.

Waiver of obligation

There is no requirement to fulfil the activity parameters of the respective futures contract programs on dates that are public holidays in New York, Chicago, Frankfurt or Hong Kong in accordance with the following table. Market makers are also suspended from mandatory activity when there is no trading session at

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the electronic trading platform of the CME Group, Eurex or Hong Kong Exchanges and Clearing Limited, in accordance with the following table.

Programs	Marketplaces	Electronic Platform
ISP and WSP	New York or Chicago	CME Group
DAX and ESX	Frankfurt	Eurex
HSI	Hong Kong	Hong Kong Exchanges and Clearing Limited

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 30 (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

The accredited market makers for the 7 (seven) programs will be exempted from the exchange fees and other applicable fees on transactions with any contract month of the asset in the program in question.

- In the case of the Micro S&P 500 Futures Contract (WSP), market makers may additionally receive a share of B3's net revenue from trading in the Micro S&P 500 Futures Contract ("revenue pool"), in accordance with the terms and conditions described in Annex I to this Circular Letter.

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- In the case of the Brazil Index 50 Futures Contract (BRI), the charge will be on transactions with the contracts of this program and on hedging transactions, with equities in the Brazil Index 50 theoretical portfolio or with ETF shares that track this index, as long as the latter have been executed to that end in accordance with the criteria and limits defined in the fee policy described in Annex II hereto.
- In the case of the IFIX Futures Contract (XFI), the charge will be on transactions with the contracts of this program and on hedging transactions, with real estate funds that comprise the IFIX theoretical portfolio or with ETF shares that track this index, as long as the latter have been executed to that end in accordance with the criteria and limits defined in the fee policy described in Annex III hereto.

The volume traded in the accounts and assets registered in the program, both for activity in the program and for hedging purposes, is not considered for calculating the ADV of futures and of the day trade volume for purposes of defining the day trade fee tier for the cash equity market or options market.

For all the programs described herein, the message flows, trades and volume generated by the accredited institutions will be considered for the purposes of the Trading Message Control Policy, as per Circular Letter 086/2023-PRE, dated May 30, 2023.

General provisions

If the accreditation requests exceed the number of openings, market makers will be accredited in accordance with the order of submitted documentation.

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B3 will resolve any omissions regarding this accreditation process and all the programs described in this Circular Letter.

Further information can be obtained from the Electronic Trading Department by telephone on +55 11 2565-5025 or by email at formadordemercado@b3.com.br

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Annex I to CIRCULAR LETTER 015/2024-VPC

Conditions for Revenue Pool Eligibility in the Market Maker Program - Micro S&P 500 Futures (WSP) and Rollover (WS1)

Purpose

The purpose of this program is to offer market makers in the Micro S&P 500 Futures Contract incentives to develop, promote and guarantee liquidity for the futures market operated by B3 and for the contract concerned.

In this program, besides the benefit consisting of exemption from exchange fees and from other fees on trades in all contract months of the asset concerned, market makers shall also receive the following benefit:

- Twenty per cent (20%) of B3's net revenue from trading in the Micro S&P 500 Futures Contract ("revenue pool") will be distributed to the 3 (three) market makers that most traded in the calculation period, within the conditions specified below, in the item "Calculation of the revenue pool".

Eligibility

Market makers accredited under the program for the Micro S&P 500 Futures Contract will be considered eligible for a share of the revenue pool only if their trading volume reaches the parameter compliance percentage and necessary classification within the calculation periods concerned, as described in the item below.

Market makers that B3 does not select for accreditation under this program will not be entitled to the benefit of sharing in the revenue pool.

Calculation of the revenue pool

The revenue pool for this program is defined as B3's total net revenue from trading in the Micro S&P 500 Futures Contract after deduction of the taxes levied on such revenue and the price of the service.

Twenty per cent (20%) of the net revenue will be shared among the first 3 (three) market makers that, cumulatively:

- (a) most trade (in number of contracts) the contract in question within the calculation period; and
- (b) have more than seventy per cent (70%) compliance with the activity parameters, post-waiver, considering the spread, minimum quantity, minimum activity period and mandatory contract month obligations.

The value to be calculated for each of the 3 (three) market makers will be in proportion to the number of contracts traded at B3 in relation to the other 2 (two) market makers that are entitled to the benefit.

The market makers that do not meet the aforementioned minimum percentage obligations will not be included in the revenue pool distribution. In this case another market maker will not be included in the distribution.

If only 2 (two) market makers are accredited and eligible for the revenue pool, the benefit will be divided according to the market share of number of contracts traded, between the 2 (two) accredited market makers. If only 1 (one) market maker is accredited and eligible for the revenue pool, it must meet the minimum of ten per cent (10%) of the total of the product traded at B3 to reach one hundred per cent (100%) of the revenue pool.

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B3 will calculate the value of the benefit monthly and check the contribution of each of the participants to the generated revenue, to identify the first, second and third placed trading volume (in number of contracts) to receive the benefit. In the case of a tie, B3 will select the market maker that has the best performance in relation to the mandatory activity parameters.

B3 will thus calculate the benefit monthly by the last business day of the following month. If it is received in cash, it will be distributed quarterly (up until the last business day of the month following the calculation period) to the relevant participants, in accordance with the following calculation timetable:

Calculation period		Benefit awarded
Dec. 17, 2024 to Dec. 31, 2024	1 st calculation period	As described in the item "Calculation of the revenue pool"
Calendar months	Other calculation periods	
Dec. 1, 2025 to Dec. 12, 2025	Last calculation period	

The benefit can be paid as above or in the form of credits for use solely to reduce the fees that B3 charges on transactions in listed derivatives, whatever the traded instrument.

The credits awarded will expire at the end of the month following that of market maker activity and cannot be renewed.

Market makers must designate an exclusive account for receipt of the benefit.

The above benefit percentages, to be received by the market makers ranked first, second and third, are based on the total benefit calculated in accordance with

B3's monthly net revenue from trading in the Micro S&P 500 Futures Contract. There is no fixed value foreseen for the benefit.

If the Micro S&P 500 Futures Contract is not traded during a calculation period, meaning B3 earns no revenue from it, no benefit will be distributed for the period. If the product is not traded during the calculation period but there is revenue calculated, we will consider the number of contracts traded in a previous month in which there was trading, which will not necessarily be the immediately previous month, for calculating revenue pool distribution among the market makers.

Participants' trading volumes will only be measured in trades that comply with the rules and procedures that B3 has established for the futures market. Canceled trades and/or trades that do not comply with the pertinent requirements will not be considered.

Market makers will be notified of the rankings and benefit values awarded, by email not later than the fifth business day of the month following the last month in each calculation period.

The benefit will be paid or credited to market makers in net terms after deduction of the withholding taxes specified in the applicable tax legislation in force on the date of payment or credit.

General provisions

If a market maker is de-accredited by B3 or requests de-accreditation before the end of its obligation, the revenue pool benefit described in this Annex will cease to be applicable as of the month of its de-accreditation, inclusive. In this way, the de-accredited agent will not receive any amount relative to the revenue pool.

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The market makers in the other securities accepted for trading in the markets operated by B3 will not be eligible for the revenue pool benefit.

Annex II to CIRCULAR LETTER 015/2024-VPC

Fee Policy for Market Makers in the Brazil Index 50 Futures Contract (BRI)

Conditions for market maker eligibility

This fee policy applies only to market makers accredited for this program by B3, subject to their compliance with the requirements described below.

Applicable fees

Exchange fees and other fees on buy and sell orders for Brazil Index 50 Futures (BRI) by accredited market makers will be reduced to zero.

Exemption from fees on hedge trades

No exchange fees or settlement fees will be due on hedge trades in the stocks in the theoretical portfolio of the Brazil Index 50 or in ETF shares that track this index, provided such trades are executed in accordance with the criteria and limits defined in items (a) and (b) below for exemption on hedge trades.

Limits for exemption on hedge trades

Market makers will be exempted on hedge trades only if:

- (a)** the total financial volume of buy and sell orders for the stocks and ETF shares executed for hedging purposes in the account designated for market maker activity as per item (b) below does not exceed the same day volume traded in the Brasil Index 50 Future Contract, or the volume if the Brazil Index 50 Futures Contract is held to expiration. In this case, transactions will be considered in stocks and ETFs executed on the same day as the expiration of the futures contract and of the same nature (buy and sell).

(b) the financial volume of buy and sell orders executed for hedging purposes for each stock in the theoretical portfolio of the reference index is limited to thirty per cent (30%) of the same-day volume traded in the Brasil Index 50 Future Contract and does not exceed the volume if the Brazil Index 50 Futures Contract is held to expiration. In this case, transactions will be considered in stocks and ETFs executed on the same day as the expiration of the futures contract and of the same nature (buy and sell).

If a market maker surpasses the limit defined in items (a) and (b) on one or more days, the exchange fees and other fees will be charged on the daily excess volume as foreseen in the fee policy described in Annex IV hereto.

If both of the limits defined in items (a) and (b) are surpassed on the same day, the exchange fees and other fees will only be charged on the larger daily excess volume. Buy and sell orders for equities and ETF shares executed on the odd-lots market are not considered for the purposes of granting hedge trade fee exemption.

Market makers are responsible for full payment of exchange fees and other fees on each month's accumulated daily excess volumes, no later than the last business day of the following month.

Account for hedge trade fee exemption

To be eligible for hedge trade fee exemption, market makers must designate a specific account solely for the settlement of hedge trades relating to Brazil Index 50 Futures, regardless of the number of accounts they use overall in their market making activities.

General provisions

If a market maker is de-accredited by B3 or requests de-accreditation before the end of its obligation, the exemptions provided for in this fee policy will cease to be applicable as of the date of its de-accreditation.

This fee policy does not apply in the case of market makers in other securities admitted for trading on the markets operated by B3.

Annex III to CIRCULAR LETTER 015/2024-VPC

Fee Policy for Market Makers in the IFIX Futures Contract (XFI)

Conditions for market maker eligibility

This fee policy applies only to market makers accredited for this program by B3, subject to their compliance with the requirements described below.

Applicable fees

Exchange fees and other fees on buy and sell orders for IFIX Futures (XFI) by accredited market makers in this program will be reduced to zero.

Exemption from fees on hedge trades

No exchange fees or settlement fees will be due on hedge trades in Real Estate Investment Funds (FII's) in the theoretical portfolio of the IFIX B3 or in ETF shares that track this index or that track IFIX-L B3, provided such trades are executed in accordance with the criteria and limits defined in items (a) and (b) below for exemption on hedge trades.

Limits for exemption on hedge trades

Market makers will be exempted on hedge trades only if:

- (a)** the total financial volume of buy and sell orders for the FII's and ETF shares executed for hedging purposes in the account designated for market maker activity as per item (b) below does not exceed the same day volume traded in the IFIX Future Contract or the IFIX Futures Contract held to expiration. In this case, transactions will be considered in real estate funds and ETFs executed on

the same day as the expiration of the futures contract and of the same nature (buy and sell).

(b) the financial volume of buy and sell orders executed for hedging purposes for each FII in the theoretical portfolio of the reference index is limited to thirty per cent (30%) of the same-day volume traded in the IFIX Future Contract or does not exceed the volume of the IFIX Futures Contract held to expiration. In this case, transactions will be considered in real estate funds and ETFs executed on the same day as the expiration of the futures contract and of the same nature (buy and sell).

If a market maker surpasses the limit defined in items (a) and (b) on one or more days, the exchange fees and other fees will be charged on the daily excess volume as specified in the fee policy described in Annex IV hereto.

If both limits defined in items (a) and (b) are surpassed on the same day the exchange fees and other fees will be charged only on the larger daily excess volume. For the exemption to be granted on hedge trades, buying and selling in real estate funds and ETF shares in the odd lots market will not be considered.

Market makers are responsible for full payment of exchange fees and other fees on each month's accumulated daily excess volumes, no later than the last business day of the following month.

Account for hedge trade fee exemption

To be eligible for hedge trade fee exemption, market makers must designate a specific account solely for the settlement of hedge trades relating to the IFIX

Futures Contract, regardless of the number of accounts they use overall in their market making activities.

General provisions

If a market maker is de-accredited by B3 or requests de-accreditation before the end of its obligation, the exemptions provided for in this fee policy will cease to be applicable as of the date of its de-accreditation.

This fee policy does not apply in the case of market makers in other securities admitted for trading on the markets operated by B3.

Annex IV to CIRCULAR LETTER 015/2024-VPC

Fees on Day Trade and Non-Day Trade Excess Volumes Applied Exclusively to the Programs in this Circular Letter

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

1.1. The financial volume traded as a hedge in the designated account is grouped in accordance with the following criteria:

- i)** same trading session date
- ii)** same clearing member
- iii)** same participant code (carrying in the case of give-up)
- iv)** same account code
- v)** security ID (asset)
- vi)** position

1.2. The day trade and non-day trade financial volume calculations of each asset that comprises the theoretical portfolio of the reference index or the respective ETFs that track the reference index are defined daily by:

$$\text{Day trade volume}_i = 2 \times \text{Minimum}(V_C, V_V)$$

$$\text{Non day trade volume}_i = (V_C + V_V) - \text{Day trade volume}_i$$

Where:

"i" = each asset of the theoretical portfolio of the reference index or the ETFs that track the reference index

V_C = buy volume of asset i

V_V = sell volume of asset i

1.3. Daily consolidation of the volumes of the assets in the theoretical portfolio of the reference index of the respective ETF

$$\text{Day trade volume}_{day} = \sum_i \text{Day trade volume}_i$$

$$\text{Non day trade volume}_{day} = \sum_i \text{Non day trade volume}_i$$

$$\text{Total volume}_{day} = \text{Day trade volume}_{day} + \text{Non day trade volume}_{day}$$

Where "i" represents each asset of the theoretical portfolio of the reference Index or the ETFs of the reference Index.

2. Segregation of the excess financial volume of the hedge between excess day trade volume and excess non-day trade volume:

$$\text{Excess day trade volume}_{day} = p_{day} \times \text{Excess volume}_{day}$$

$$\text{Excess non-day trade volume}_{day} = \text{Excess volume}_{day} - \text{Excess day trade volume}_{day}$$

in which p_{day} is a proportion of the excess volume over the total volume, daily, calculated as:

$$p_{day} = \frac{\text{Excess volume}_{day}}{\text{Total volume}_{day}}$$

Where:

- $\text{Excess volume}_{day}$ defined in accordance with the rules of section 3 of Annex II hereto
- $\text{Total volume}_{day}$ defined in section 1.3 of Annex II hereto; and
- p_{day} is the proportion rounded up to two decimal places.

2.1. Application of the trading and settlement fees to the excess volumes of the programs of this Circular Letter

Excess day trade and non-day trade volumes are charged the trading and settlement fees foreseen for the cash market.

The exchange fees and other fees on the excess are accumulated and charged in the month following the transaction month.

3. General provisions

The entire volume (exempted or charged a fee as excess) of the asset in the account registered in the program is **not** considered in the composition of ADTV, which daily defines the trading and settlement fees for day trade volumes in the accounts not registered in the program.

B3's fee benefits for other programs are **not** applied to the excess volumes in the accounts registered in this program.