

12 de novembro de 2019

013/2019-VPC

## 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 the Ten-Year U.S. Treasury Note Futures Contract (T10).**

Up to five Market Makers will be accredited for this program.

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

### **Accreditation process**

Institutions that wish to participate in the program can find guidance in the Procedures Guide for the Accreditation of Derivatives Contract Market Makers, which is available at [http://www.b3.com.br/en\\_us/](http://www.b3.com.br/en_us/), Products and Services, Trading, Market maker, Join in, Accreditation.

### **Timeframes**

<b>Filing of accreditation instrument</b>	<b>Account registration</b>	<b>Start of activity</b>	<b>End of link</b>
By Dec. 2, 2019	Dec. 9, 2019	Dec. 16, 2019	Dec. 11, 2020

B3 may, at its sole discretion, review accreditation applications submitted outside of the time frames indicated above, provided they are duly justified.

### **Activity parameters**

The Market Makers accredited for this program will quote bids and asks in accordance with the activity parameters defined by B3.

The program's activity parameters are available in the document Ten-Year U.S. Treasury Note Futures Contract (T10) Market Maker Program Rules, at [www.b3.com.br/en\\_us/](http://www.b3.com.br/en_us/), Products and Services, Trading, Market maker, Join in, Programs, Ten-Year U.S. Treasury Note Futures Contract (T10), T10 Market Maker Program Rules (Program Rules).

The Market Makers must register bids and asks for the contract months described in the Program Rules document, with their activity being mandatory until the fifth business day immediately prior to the expiration date of the contract month. After this, the Market Maker obligation will pass on to the subsequent contract month.

Bids and asks for the second contract month must be registered only as of the tenth business day prior to the expiration date of the first contract month.

The activity parameters may be changed at any time during the program's validity period, through prior agreement among the accredited Market Makers. B3 will announce to the Market Makers any proposals to change such parameters, which must be answered in writing within seven business days. The absence of a timely response will be considered consent to the proposed change.

Prior Market Maker consent will not be needed when changes in activity parameters result from atypical market situations that modify trading patterns or require adjustments to avoid the creation of artificial conditions of demand, supply or price.

### **Test period**

Market Makers will enjoy the benefits specified below, without having to meet the activity parameters, within the period of ten business days before the start of their mandatory activity, so that they can execute connectivity, trading session and order routing tests, as well as other required technological configurations. After the test period, the Market Makers' activities will be monitored by B3.

### **Maximum number of parameter breaches**

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

### **Minimum timeframe for activity**

If a Market Maker desists from the accreditation process without having begun its activities under this program, it will be exempted from meeting the minimum activity period of 30 days required by Circular Letter 109/2015-DP, dated October 08, 2015. If withdrawal occurs after the start of its activity, the Market Makers must, without fail, comply with the 30 days prior notice, so that the de-accreditation may be communicated to the market.

### **Waiver of obligations**

On New York or Chicago market holidays, the Market Makers will be exempted from complying with the activity parameters established under this program. Furthermore, they will be waived from mandatory activity when there are no trading sessions on the CME Group electronic trading platform.

### **Benefits**

The accredited Market Makers will be exempted from the payment of the exchange fees and of any other fees charged on transactions with any contract month involving this program's underlying asset.

The flow of messages, trades and volumes generated by the accredited Market Makers 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, dated May 27, 2013, and 050/2013-DP, dated July 30, 2013

### **General provisions**

Any issues regarding the accreditation process and Program not explicitly addressed herein will be resolved by B3.

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Further information can be obtained from the Chief Product and Client Officer's team by telephone at +55 11 2565-4218/7119/5973 or by email at [formadordemercadob3@b3.com.br](mailto:formadordemercadob3@b3.com.br).

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