

October 31, 2023
177/2023-PRE

CIRCULAR LETTER

Listed B3 Participants

Re.: **Rules for the Allocation of Trades Originating from Block Trading Solutions for Equities and Securities Representing Equities**

As announced in Circular Letter 176/2023-PRE, dated October 31, 2023, as of **November 27, 2023**, B3 will provide the market with three block trading solutions for equities and securities representing equities on the exchange market.

Block trading allocation will follow the operating procedures described in item 6.2.1 of the B3 Clearinghouse Operating Procedures Manual (Transaction allocation procedures), in a similar way to the other trades in the cash equities market.

In particular as foreseen in CVM Resolution 135/22, block trades cannot be allocated to more than one investor, except in the case of transactions performed by investment funds and portfolio managers whose investment decisions are made by the same manager.

The B3 Clearinghouse will monitor noncompliance with the block trades indivisibility rule up until the end of the cash equities market allocation time limit, notifying the participants whenever regularization is required. Allocations that are

not regularized by the end of the deadline will be processed pursuant to the provisions of the B3 Clearinghouse Operating Procedures Manual.

For local investment funds or managed portfolio accounts, the B3 Clearinghouse will use the master account link previously established by the participants in the B3 registration system to identify the manager linked to the account.

For international investment funds whose investment decisions are made by the same manager, the participants must observe the procedures below so that the B3 Clearinghouse may previously identify the management link in the allocation process.

1. Creation of a fictitious document code for the manager (code 88)

- The participant must request the creation of code 88 at the Listed and OTC Service Center via email at cadastro@b3.com.br. The request heading must be: Creation of Code 88 by the Attorney-in-Fact of the NRI.
- Code 88 will be generated up to one business day from the date the request is received.
- Managers that have already registered code 88 do not need to request its creation again.

2. Assignment of the manager's information to the nonresident investor's account

- The participant will access the account registration of the nonresident investor that will execute block trades and, in the information about the account's legal representatives, designate the code 88 registered by the manager.

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- In the B3 registration system, via the account registration screen, the participant will:
 - click on the “Legal Representatives” tab
 - in the “Types of Account Links” field select the “Client’s Attorney-in Fact”
 - in the “Type of Entity” field select “Nonresident Corporation Others” option
 - in the “Type of Document” field select code 88
 - type the code 88 of the manager and confirm the name presented by the system
 - click on confirm and save

The participant may also assign the manager’s data to the investor’s account via the files:

- BVBG.001.03 for account inclusion
- BVBG.003.03 for account change

Participants will link investors with their respective managers prior to block trade execution, so that the B3 Clearinghouse has sufficient time to monitor the allocations up until the end of the allocation time limit for the cash equities market.

Further information can be obtained from Support for Listed Products by telephone on +55 11 2565-5012 or email at liquidacao.alocacao@b3.com.br, or

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from Listed and OTC Registration Support by telephone on +55 11 2565-5071
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