

MARKET MAKER

Extension of the Pilot Program for Cash Equities Market Makers

Intended for segment participants: Listed

Abstract: The deadline for accredited market makers to act has been extended until 08/17/2025. The other rules were not changed.

We inform that the end of the engagement of market makers accredited in Pilot Program for Cash Equities Market Makers has been extended until 08/17/2025.

If there is no interest in acting during the extension period, the market maker must request its de-accreditation by 06/30/2025.

The other features of this Pilot Program remain unchanged.

The applicable rules and procedures can be found in the annex to this Circular Letter, which repeals and fully replaces the content of Circular Letter 121/2024-PRE, of 08/29/2024.

For more information, please contact our call centers.

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Annex 1 – Rules of the Market Maker Pilot Program

1. Accreditation

Institutions interested in participating in this program must request accreditation, by sending a) an expression of interest model, duly filled in with their registration information; b) indication of the assets in which it intends to act; and c) sending your bids for the spread and/or number of shares auctions to the e-mail incentivoliquidez@b3.com.br, within the period defined in this Circular Letter.

The expression of interest model is available on the [b3 website](#) (Products and Services > Trading > Market Maker > Programs – Listed > Pilot – Market Maker).

Upon receipt of the expression of interest, B3 will allocate the selected institutions to each of the assets indicated in their respective manifestation, respecting the number of vacancies offered, and will disclose the institutions selected for each asset and for each level of activity.

If the expressions of interest exceed the number of vacancies offered, the selection will be made through two different auctions. The process will take place as described below.

2. Selection Procedure

7 (seven) vacancies will be allocated for each active within the program, as follows:

- 4 (four) vacancies defined by the auction of the number of shares – in which B3 pre-defines the maximum spread and the investors who bid the highest for the number of shares they commit to keep on the screen are chosen. In the event of a tie, the ADTV of the interested party in the asset will be used as a tiebreaker, and the participant with the highest ADTV will be selected.
- 3 (three) vacancies defined by the spread auction – in which B3 pre-defines the minimum quantity and the investors who bid the lowest for the spread that they

commit to keep on screen are chosen. In the event of a tie, the ADTV of the interested party in the asset will be used as a tiebreaker, and the participant with the highest ADTV will be selected.

Those approved in any of the auctions will have spread and quantity obligations.

If the institution chooses to participate in both auctions, it must, at the time of sending the expression of interest template, signal the order of preference between the spread or quantity auction. If the investor has made bids that would give him a place in both levels of activity, the preference indicated by the investor will be used to determine in which of the levels he will act.

The guidelines on the procedure for sending the Accreditation Term are described in the Guide to Procedures for Accreditation of Market Makers (Accreditation Guide), available at [B3 website](#) (Products and Services > Trading > Market Maker > Accreditation).

If the selected institution has not yet entered into the Accreditation Agreement for Market Maker Performance with B3, it must follow the procedures set forth in items 4, 5 and 6 of the Accreditation Guide.

The specific model of the Accreditation Term will be available on [the B3 website](#) (Products and Services > Trading > Market Maker > Programs – Listed > Pilot – Market Maker).

The public disclosure of all accredited institutions will be carried out from the first day of operation in the program.

Market makers do not have exclusivity of action for the assets in which they are accredited. Therefore, the companies issuing the assets may, at their sole discretion, hire a market maker.

Market makers have no obligation or link with the company issuing the assets in which they operate, and are responsible for the obligations provided for in the rules and regulations of the Brazilian Securities and Exchange Commission (CVM) and B3, which govern this activity.

B3 may, at any time, include new assets in this program and accept the accreditation of interested institutions. This is a pilot program and does not affect other equity spot market maker programs.

B3 may, at its sole discretion, evaluate accreditation requests made after the deadlines indicated in this Circular Letter, provided that they are duly justified.

2.1. Trading and settlement account requirements

Accounts registered in the program must follow the following rules for trading and allocating the assets for which it was accredited:

- i. all trades executed in the accredited asset, via registered account, must be allocated to this same account at the time of trading, without subsequent allocations or transfers;
- ii. transfers or relocations to or from accounts not registered in the program will not be allowed;
- iii. The use of accounts that are already in use on the same asset in other market maker programs, including stock option delta hedge accounts (weekly and regular), ETFs and stock futures, is prohibited.

Investors who, for their own operational reasons, are unable to meet these requirements should not register for the program.

If B3 identifies non-compliance with rules i, ii and iii, set forth above, a normal fee (without tariff reduction) will be charged on the entire volume of the month, and the investor will have all his accounts unregistered from the program.

Participant and investor must indicate via email incentivoliquidez@b3.com.br, at least five (5) business days prior to the first business day of the trading month in which the changes will be valid, any changes in the accounts that are part of the program, including inclusion, exclusion and modification, of both trading accounts and settlement accounts, and it is necessary to wait for B3's confirmation of the effectiveness of the changes. Changes will be made to the calculation systems only from the first business day of each month. Compliance with this deadline by the investor ensures that the calculation and collection are done correctly.

3. Program Rules

3.1. Performance parameters

Market makers must carry out purchase and sale offers, respecting the operating parameters defined by B3.

The respective performance parameters are available in the document "Rules of Action", in the [B3 website](#) (Products and Services > Trading > Market Maker > Programs – Listed > Pilot – Market Maker).

Market makers may enjoy the benefits, specified below, without observing the performance parameters, for a period of up to **ten (10)** business days after the beginning of their mandatory performance, so that they can perform the connectivity, session and order routing tests, as well as the necessary technological configurations. Market makers who need this period must inform B3 of their operating accounts at least ten (10) business days in advance of the start of the program. During the test period, the performance of market makers will be monitored and any non-conformities will be accredited.

The parameters set forth in the aforementioned document do not apply to market makers hired by the issuers of the underlying assets, who must follow the parameters determined in their respective service agreements.

3.2. Benefits

Institutions accredited to operate in the Market Maker Pilot program will be entitled to the following benefits in the actions in which they are accredited:

- differentiated tariff table of fees and settlement related to share purchase and sale transactions, with differentiation between transactions originating from maker and non-maker orders according to the performance evaluation described in item 3.5;
- the flow of messages, trades and volume generated by market makers will be considered for the purposes of the Trading Message Control Policy, as provided for in Circular Letters 086/2023-PRE, of 05/30/2023.

It should be noted that the volume traded in accounts and assets registered in the Market Maker Pilot program **will not** be considered for calculating the daily day trade volume for the purpose of defining the fee range for day trade operations in the variable income spot market.

3.3. Volume settings

For the calculation of the performance metric, emoluments and other tariffs, the following parameters are defined:

- **taker volume:** financial volume traded by the investor originating from his or her offending orders;
- **Non-maker volume:** financial volume traded by the investor generated from taker orders (taker volume), originated in the closing auction and/or via direct trades;
- **Maker Volume** — Financial volume traded by the investor on the respective asset, minus the non-Maker volume.

The above-mentioned volumes (except for the total volume of the asset) consider only the registered accounts informed by the investor.

It should be noted that the exercise volumes of options **will not** be considered for calculating the investor's maker volume for calculation purposes, that is, they do not interfere with the performance metric.

3.4. Performance evaluation and collection

The fees applied in the Market Maker Pilot Program are previously informed and are defined by the performance of the investor registered as a market maker in the asset during the calculation window associated with the cycle.

The collection of fees will not be made on a day-to-day basis in the settlement window (D+2). Fees will be charged to investors until the 7th (seventh) business day of the month following the trading month.

3.4.1. Performance evaluation cycle and application of tariffs

By joining the Market Maker Pilot Program, the investor will have access to the benefits through the reduction in fees according to the "Taking" document, available on [the B3 website](#) (Products and Services > Trading > Market Maker > Programs – Listed > Pilot – Market Maker), during the current investment cycle.

The first calculations of the program will take into account only one month, making up the tariff transition period, with the objective of allowing participants to acquire a performance history. After the transition period, the performance calculations will take place bimonthly, taking into account the volumes of the two months prior to the calculation month, to determine the tariff for the following two months.

Below, a summarized schedule of the first months of the program:



- i. In the first two months, October and November, the pricing takes into account the performance of only one month (August). Pricing disclosed after the selection of the investor for the program, in September.
- ii. For the next two months, December and January, the pricing is based on the performance of only one month (October). Pricing and performance released in November.
- iii. For the other months, the tariff continues to be valid for two months, but based on the average of the previous two months. Following the schedule, we have pricing for February and March, based on the average performance of November and December released in January.

Investors who show interest after the start of the program will be able to enter only in the predetermined entry windows.

The detailed schedule of collection, calculation and entry windows can be consulted in the document "Calculation Schedule", available on [the B3 website](#) (Products and Services > Trading > Market Maker > Programs – Listed > Pilot – Market Maker).

The amount to be charged in BRL will be informed by B3 for each participant, through the e-mails informed in the Accreditation Term as well as via the SLF collection file. It is necessary to include the e-mails of the investor and carrying broker in the Accreditation Term, to ensure the integrity of the information flow.

Each of the participants (carrying broker) will be responsible for including these fees in all systems of its chain, so that its calculation is in line with that of B3.

If the customer operates in more than one participant in the accounts registered in the program, the billing information will be sent to all participants informed in the accreditation.

3.5. Calculation of the trading and settlement fee

The pricing, composed of fees and settlement and differentiated between maker and non-maker orders, is based on the average daily maker volume performance table. The higher ADTV maker average reached by the market maker in the designated paper, the lower the fee paid by the investor.

ADTV Maker will be calculated as per the formula below:

$$\text{Average maker ADTV} = \frac{\text{Investor maker volume asset}_{\text{month 1}} + \text{Investor maker volume asset}_{\text{month 2}}}{\text{Number of trading sessions}_{\text{month 1}} + \text{Number of trading sessions}_{\text{month 2}}}$$

The table is regressive and structured as follows.

Tracks	ADTV maker		Investor fee	
	From	Until	Maker	Not maker
1	D1	U1	Y1	1v1
2	D2	U2	Y2	X2
3	D3	U3	Y3	X3

The table with the performance ranges and tariffs can be consulted in the "Pricing" document, available on [the B3 website](#) (Products and Services > Trading > Market Maker > Programs – Listed > Pilot – Market Maker).

It should be noted that the values of the tables will be reviewed every four (4) months, and it is at B3's discretion whether or not to change the ranges and percentages of reduction in these opportunities.

The rules for calculating fees, in addition to the maker and non-maker categories, can be segmented into day trade and non-day trade fees. Investors with an average day trade percentage (% DT) on paper above or equal to the minimum requirement are subject to the rule set out in 3.5.1, while investors with a percentage below the minimum

requirement on paper are subject to rule 3.5.2. The investor's % DT in the paper will be calculated according to the formula below:

$$\% \text{ DT} = \frac{\text{Day trade volume}_{\text{month 1}} + \text{Day trade volume}_{\text{month 2}}}{\text{Total volume}_{\text{month 1}} + \text{Total volume}_{\text{month 2}}}$$

The %DT evaluation period follows the same performance evaluation period, described in 3.4.1.

The minimum % DT can be consulted in the "Pricing" document, available on [the B3 website](#) (Products and Services > Trading > Market Maker > Programs – Listed > Pilot – Market Maker).

3.5.1. Calculation rules for investors who meet the minimum day trade requirement

Investors who reach the minimum day trade requirement of the asset, the investor's maker and non-maker financial volume will be calculated;

The fee applied to each of the components will be as defined by the respective asset table and the investor's average ADTV Maker in the asset, as described in 3.5.

It should be noted that, in this case, for accounts registered in the program, there is no tariff differentiation between day trade and non-day trade volumes.

The amount to be charged to each investor is calculated as follows:

$$\text{Total value charged} = \text{Value charged}_a + \text{Value charged}_b$$

$$\text{Value charged}_a = \text{Monthly fee} \times \text{Traded volume}_a$$

$$\text{Value charged}_b = \text{Monthly fee}_b \times \text{Traded volume}_b$$

Where:

Monthly fee = fee defined in accordance with item 3.5;

Traded volume = traded financial volume;

a = index that denotes volumes considered to be maker;

b = index that denotes values considered to be non – maker.

3.5.2. Calculation rules for investors who do not meet the minimum day trade requirement

For investors who do not meet the minimum day trade requirement of the asset, the financial volume will be segmented into four components: maker day trade volume, non-day trade maker volume, non-maker day trade volume, and non-maker non-day trade volume.

The calculation of volumes is given by:

- calculation of the percentage of the financial volume maker (% Maker) in relation to the total financial volume of the investor;
- application of % Maker to the financial volume day trade, to find the financial volumes maker day trade and non-maker day trade; and
- % Maker application to non-day trade financial volume, to find the respective non-day trade maker and non-day trade maker financial volumes.

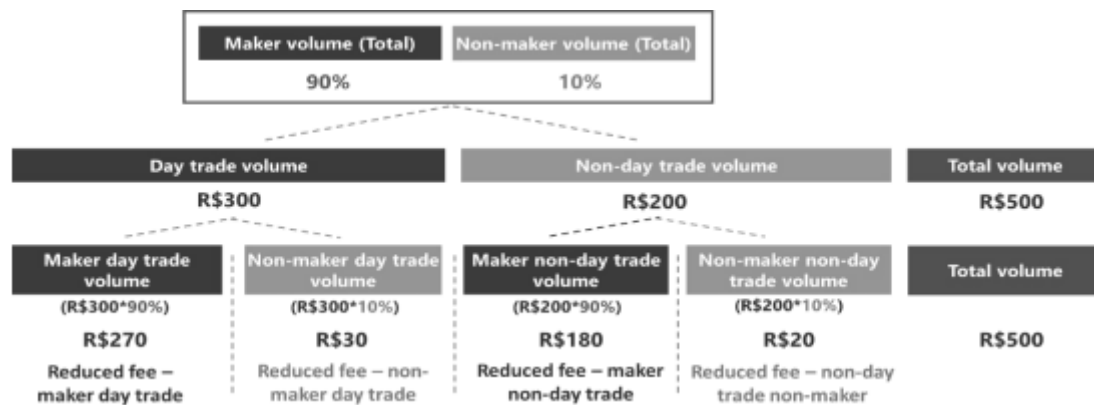
The fee applied to the day trade components will be as defined by the respective table of the asset and the investor's average ADTV Maker in the asset, as described in 3.5.

The fee applied to non-day trade components will be equal to twice the day trade fees, i.e.:

$$\text{Non – day trade maker fee} = 2 \times \text{maker day trade fee}$$

$$\text{Non – day trade non – maker fee} = 2 \times \text{non – maker day trade fee}$$

Example. In the illustration below, the financial volume traded of BRL 500, with BRL 300 day trade and BRL 200 non-day trade, with 90% maker, would be distributed as follows:



The amount to be charged to each investor is calculated as follows:

Total value charged =

$$\begin{aligned}
 &+ \text{Value charged}_a = \text{Monthly fee}_a \times \text{Traded volume}_a \\
 &+ \text{Value charged}_b = \text{Monthly fee}_b \times \text{Traded volume}_b \\
 &+ \text{Value charged}_c = \text{Monthly fee}_c \times \text{Traded volume}_c \\
 &+ \text{Value charged}_d = \text{Monthly fee}_d \times \text{Traded volume}_d
 \end{aligned}$$

Where:

Monthly fee = fee calculated in accordance with item 3.5

Traded volume = traded financial volume

a = index that denotes values considered maker day trade

b = index that denotes values considered non – maker day trade

c = index that denotes values considered maker non – day trade

d = index that denotes values considered non – maker non – day trade

3.6. Eligible assets

The list of assets eligible for the program, as well as their respective performance parameters, will be available in the document "Rules of Action", on [the B3 website](#)

(Products and Services > Trading > Market Maker > Programs – Listed > Pilot – Market Maker).

4. Minimum period of action

If the market maker withdraws from the accreditation process before the start of its operations in this program, it will be exempt from complying with the minimum period of thirty (30) days, established in Circular Letter 109/2015-DP, of 10/08/2015, provided that it communicates to B3 at least seven (7) days in advance of the start of operations. When the withdrawal occurs after this period, market makers must comply with the 30 (thirty) days' notice period, so that the disqualification is communicated to the market.

5. De-accreditation

In the event of de-accreditation of market makers accredited in this program, B3 may select other interested institutions to act in these assets, replacing the de-accredited market maker, following the selection criteria described in item 1. Accreditations and disaccreditations will always be disclosed to participants through the usual means of communication used by B3.

5.1. Maximum amount of non-compliance with parameters

Market makers may be disqualified from this program in case they fail to comply with the performance parameters and/or the obligations set forth in this Circular Letter and in Circular Letter 084/2023-PRE, of 05/31/2023, regarding the rules for monitoring market maker non-conformities and in the Accreditation Agreement for Market Maker Performance, unjustifiably or with justifications not accepted by B3. The contract is available on [the B3 website](#) (Products and Services > Trading > Market Maker > How > Contracts Works).

5.2. Performance

Market makers may have their accreditation in this program canceled if, for more than four (4) months, they perform only in the first range of the table described in item 3.5.

6. Deadlines

Submission of Expression of Interest	Disclosure of selected market makers	Submission of the Accreditation Term	Account registration	Start of operations	Termination of the Bond
By Sep. 11, 2024	Sep. 16, 2024	By Sep. 23, 2024	Sep. 27, 2024	Oct. 01, 2024	Aug. 17, 2025