



October 13, 2020

129/2020-PRE

CIRCULAR LETTER

To: B3's Market Participants – BM&FBOVESPA Segment

Re: **Accreditation Process for Market Makers in Ten-Year US Treasury Note Futures (T10).**

Up to five market makers will be accredited under this program. If the number of accreditation requests surpasses the number of openings, market makers will be selected for accreditation at the sole discretion of B3.

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, Join in, Accreditation.



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Timetable

Accreditation instrument filed	Accounts registered	Activity starts	Obligation ends
By Nov. 13, 2020	Nov. 27, 2020	Dec. 14, 2020	Dec. 10, 2021

B3 may at its sole discretion assess accreditation applications submitted after these deadlines, provided the delay is duly justified.

Activity parameters

Market makers accredited for this program must enter bids and asks in accordance with the activity parameters defined by B3.

The activity parameters for the program can be found in the document "Activity Parameters for Market Makers in Ten-Year US Treasury Note Futures (T10)", available at www.b3.com.br/en_us, Products and Services, Trading, Market maker, Join in, Programs, Ten-Year US Treasury Note Futures (T10), T10 Market Maker Program Rules.

Market makers must enter bids and asks for the contract months described in the T10 Market Maker Program Rules, and must do so until the fifth business day before contract expiration. Thereafter they are obliged to trade the subsequent contract month.

Bids and asks for the second contract month must be registered from the tenth business day before expiration of the first contract month.



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The activity parameters may be changed during the course of the program with the prior consent of the accredited market makers. B3 will formally advise market makers of any proposal to change the activity parameters. They will have 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 owing to adjustments required to avoid the creation of artificial demand, supply or pricing conditions.

Test period

Market makers enjoy the benefits specified below without having to observe the activity parameters for up to ten business days before the start of their mandatory activity so that they can execute connectivity, session and order routing tests, as well as the necessary technical configurations. After the test period, market makers' activities will be monitored by B3.

Maximum number of parameter breaches

Any market maker's accreditation to this program may be cancelled in the event of more than twelve (12) unjustified breaches of the activity parameters and/or of the obligations set forth in this Circular Letter and in the Market Maker Activity Agreement, or if the justification is not accepted by B3.



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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 thirty-day minimum activity period required by Circular Letter 109/2015-DP, dated October 8, 2015.

If a market maker withdraws after the start of its activity, it must comply with the thirty-day notice period without fail so that its de-accreditation can be communicated to the market.

Waiver of obligations

On New York or Chicago public holidays, market makers will be exempted from complying with the activity parameters. The obligation to perform mandatory activity will also be waived when there are no trading sessions on the CME Group's electronic trading platform.

Benefits

Market makers accredited under this program will be exempt from exchange fees and other fees on trades in all contract months of the futures concerned.

The message flows, trades and volume generated by the accredited institutions will not be considered for the purposes of the Trading Message Control Policy, as per Circular Letters 039/2013-DP (dated May 27, 2013) and 050/2013-DP (dated July 30, 2013).



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General provisions

B3 will resolve any omissions regarding this accreditation process and the program.

Further information can be obtained from the Chief Product and Client Officer's team by calling +55 11 2565-5026/5870 or by emailing formadordemercadob3@b3.com.br.

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