

May 26, 2022  
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## CIRCULAR LETTER

To: Listed B3 Participants

Re: **Accreditation Process for Bitcoin Futures Market Maker Program**

B3 will accredit up to five market makers for the Bitcoin Futures Market Maker Program (program).

The implementation and efficacy of the program and its accreditation process depend on approval of the Bitcoin Futures Contract by the regulators (regulatory approval), as detailed below.

B3 cannot be held liable for losses due to lack of regulatory approval or to alteration of any of the procedures, dates, parameters or benefits specified herein.

### **Selection procedure**

Institutions that wish to take part in the program must request accreditation by emailing the Expression of Interest form, duly completed, to [formadordemercadob3@b3.com.br](mailto:formadordemercadob3@b3.com.br) by the deadline shown below. The Expression of Interest form is available at [www.b3.com.br/en\\_us](http://www.b3.com.br/en_us), Products and Services, Trading, Market maker, Join in, Programs, Bitcoin Futures.

If the number of Expressions of Interest exceeds the number of openings, B3 will select the five institutions that bid the lowest maximum spreads.

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In the event of a tie between two or more spread bids, the institution bidding the highest minimum quantity will be selected.

Having completed the selection process, B3 will announce individually the institutions selected for the program and the ranking of all the institutions that participated in the process. The names of all the accredited institutions will be announced publicly on the first day of their activities under the program.

Maximum spread and minimum quantity for market makers in this program are limited by the highest maximum spread and lowest minimum quantity bids submitted by the selected institutions, and will be updated as and when the names of the institutions selected as market makers are announced.

Institutions must specify their maximum spread and minimum quantity bids in the Expression of Interest, respecting the reference parameters defined by B3 in the document "Rules for the activity of market makers in Bitcoin Futures", available at [www.b3.com.br/en\\_us](http://www.b3.com.br/en_us), Products and Services, Trading, Market maker, Join in, Programs, Bitcoin Futures.

All bids filed by institutions will remain confidential.

### **Implementation and efficacy of accreditation and the program**

Following accreditation, the implementation and efficacy of the program and of market maker accreditation will be suspended until regulatory approval is obtained (suspensive condition).

If at any time regulatory approval is not obtained for any reason or factor, it is hereby established that accreditation and the program will be automatically revoked.

## Timetable

Expression of Interest filed	Selected market makers announced	Accreditation Instrument filed	Accounts registered	Activity starts	Obligation ends
By June 6, 2022	June 8, 2022	By June 15, 2022	June 15, 2022	June 27, 2022  Subject to suspensive condition	June 30, 2023

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

This program may be extended at B3's sole discretion. If the date on which the obligation ends is postponed, B3 will issue a Circular Letter with information on the length of the extension and any changes to the activity parameters, as well as any other necessary provisions. Market makers will be free to choose whether to continue acting as such until the end of the extension or terminate their accreditation on the above end date for the obligation.

### Activity parameters

Market makers accredited for this program must enter bids and asks in accordance with the trading parameters defined by B3. The activity parameters can be found in the document "Rules for activity by market makers in Bitcoin Futures", available at [www.b3.com.br/en\\_us](http://www.b3.com.br/en_us), Products and Services, Trading, Market maker, Join in, Programs, Bitcoin Futures.

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

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formally advise market makers of any proposals 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 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 technological configurations. Market makers that need this period must notify B3 of their activity accounts at least ten days before the start of their activity under the program. After the test period, market makers' activities will be monitored by B3.

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

Any market maker's accreditation under this program may be cancelled in the event of more than twelve (12) unjustified breaches of the activity parameters in the program and/or of the obligations set forth in this Circular Letter and in the Market Maker Accreditation Agreement, or if the justification is not accepted by B3. The Agreement is available at [www.b3.com.br/en\\_us](http://www.b3.com.br/en_us), Products and Services, Trading, Market maker, Join In, Contracts.

**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 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**

Market makers will be exempt from exchange fees and other fees on trades in all Bitcoin Futures contract months and Bitcoin Futures Rollovers, including non-mandatory months.

The flow of messages, trades and volumes generated by accredited institutions will not be considered for the purposes of the Policy for the Control of Trading Messages, as set forth in Circular Letter 039/2013-DP, dated May 27, 2013, and Circular Letter 050/2013-DP, dated July 30, 2013.

**General provisions**

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

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Further clarification can be obtained from Listed Products by calling +55 11 2565-4616 or 2565-5611, or by emailing [formadordemercadob3@b3.com.br](mailto:formadordemercadob3@b3.com.br).

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