

April 18, 2024
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CIRCULAR LETTER

Listed B3 Participants

Re.: **Adhesion to the Class No-Action Relief for the Listed Options Market on Shares, ETFs and Indices**

On July 1, 2013, the Division of Trading and Markets of the United States Securities and Exchange Commission (SEC) issued a letter called “Class No-Action Relief” (Class No-Action Relief – available at: <https://www.sec.gov/divisions/marketreg/mr-noaction/2013/liffe-am-070113.pdf>) to the foreign (non-U.S.) options market and its participants to familiarize certain persons in the USA – Eligible Broker Dealers / Eligible Institution – with the foreign options market as well as certain products available in that market, without becoming subject to certain regulations in the USA.

The definition of Eligible Broker Dealers and Eligible Institution can be consulted in the Class No-Action Relief, as being any entity that meets the following criteria:

- a) it must be a “qualified institutional buyer” as defined in Rule 144A(a)(I) under the Securities Act of 1933 (“Securities Act”), or an international organization excluded from the definition of “U.S. person” in Rule 902(k)(2)(vi) of Regulation S under the Securities Act
- b) it must have had prior actual experience with traded options in the U.S. options market and, therefore, would have received the disclosure

document for U.S. standardized options called for by Rule 9b-1 under the Securities Exchange Act of 1934 (“Exchange Act”).

On April 12, 2024, B3 adhered to the Class No-Action Relief by submitting a notification letter to the SEC in order to allow B3 and its participants to familiarize the Brokers-Dealers and Eligible Institutions with options on shares, ETFs, and certain indices listed and traded at B3. The Annex hereto contains a list of eligible options for the purposes of Class No-Action Relief.

This Circular Letter provides clarification on the commitments that must be met by participants who wish to make use of the possibilities covered by the Class No-Action Relief, as described below.

1. B3 participants that are not registered in the USA as broker-dealers may only trade with Eligible Institutions when in accordance with the provisions in the *Exchange Act Rule 15a-6*, primarily through broker-dealers registered in the United States.
2. Options on securities with US issuers or indices that include securities of US issuers and that are traded on B3 are not available for sale to U.S. Person.
3. Before effecting (executing) transactions with Eligible Options, the participants must obtain a signed declaration from the legal representatives of the Eligible Broker-Dealers/Eligible Institutions (any doubts arising from the text should be clarified by consulting the Class No-Action Relief) with the following effect.
 - It is an *Eligible Broker-Dealer/Eligible Institution* and (i) owns and invests on a discretionary basis a specified amount of eligible securities sufficient

for it to be a qualified institutional buyer under Rule 144A of the Securities Act (and if a bank, savings and loans association, or other thrift institution, has net worth meeting the requirements of Rule 144A under the Securities Act), and (ii) has had prior actual experience in the U.S. standardized options markets and as a result thereof has received the options disclosure document entitled “Characteristics and Risks of Standardized Options” (the “Options Disclosure Document” or “ODD”) that is prepared by the Options Clearing Corporation and the U.S. options exchanges.

- Its transactions in Eligible Options will be for its own account, for the account of another Eligible Broker Dealer or Eligible Institutions, or for the managed account of a non-U.S. person within the meaning of Regulation S (SEC).
- It will not transfer any interest or participation in an Eligible Option to any other U.S. person or to any person in the USA, that is not an Eligible Broker-Dealer/Eligible Institution;
- It requires any dispositions of an Eligible Option to be effected (executed) and settled at B3, and any payments required in respect of the Eligible Option to be made in the currency designated by B3;
- It understands that if it has a contract as a writer of an Eligible Option with a B3 participant, margin must be provided to that B3 participant in such form and amount as determined by that participant and must maintain, measure, and deposit margin on such Eligible Option with B3, in such form and amount as determined by B3;

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- If it is acting on behalf of another Eligible Broker-Dealer or Eligible Institution, it will receive the aforementioned representations and provide them to the B3 participant upon request;
- It authorizes B3 to provide information on the transactions carried out on B3 that may be requested by the SEC;
- It will notify the B3 participant of any changes to the representations mentioned above.

Further information can be obtained from the Client Relations and International Business Development Department by the e-mail at northamerica@b3.com.br, or from the Products Department by e-mail at DerivativosEquities@b3.com.br.

Gilson Finkelsztain
Chief Executive Officer

Viviane El Banate Basso
Chief Operating Officer – Issuers,
Depositary and OTC

Annex I to CIRCULAR LETTER 062/2024-PRE

Eligible Options for Class No-Action Relief purposes

Type	Contract
Equities and Indices	Call Option Contract on Bovespa Index
	Put Option Contract on Bovespa Index
	Call Option Contract on Brazil 50 Index
	Put Option Contract on Brazil 50 Index
	Call Options on Shares, Units, ETFs
	Put options on Shares, Units, ETFs
	Weekly-Expiring Call Options on Singles Stocks, Units, ETFs
	Weekly-Expiring Put Options on Singles Stocks, Units, ETFs