



November 4, 2021

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CIRCULAR LETTER

To: Listed B3 Participants

Re: **Selection and Accreditation Process for the Market Maker Program for the FOB Santos (Platts) Soybean Futures Contract.**

In this program up to five market makers will be accredited for the FOB Santos (Platts) Soybean Futures Contract.

Selection and accreditation procedure

Institutions that wish to take part in this program must request accreditation by submitting the duly filled in Expression of Interest form to formadordemercadob3@b3.com.br, within the deadline given in this Circular Letter.

The Expression of Interest form is available at http://www.b3.com.br/en_us/, Products and Services, Trading, Market maker, Join in, Programs, FOB Santos (Platts) Soybean Futures Contract.

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If the expressions of interest exceed the number of available openings, selection will occur via the process described in Annex I to this Circular Letter.

Once defined, B3 will announce the institutions that have been selected for the program individually and the classification of all the institutions that participated in the selection process. The public announcement of all the accredited institutions will occur as of the first day of activity of the program.

The selected institutions must formalize accreditation for the assets in question by signing the Accreditation Instrument within the deadline given in this Circular Letter.

Guidance on the procedure for returning the Accreditation Instrument is available in the Procedures Guide for the Accreditation of Market Makers (Procedures Guide), available at http://www.b3.com.br/en_us/, Products and Services, Trading, Market maker, Join in, Accreditation.

Institutions that have not yet signed the Agreement of Accreditation for Market Maker Activity with B3 must follow the procedures outlined in chapters 4, 5 and 6 of the Procedures Guide.

A specific Accreditation Instrument for Market Makers in the FOB Santos (Platts) Soybean Futures Contract is available at http://www.b3.com.br/en_us/, Products and Services, Trading, Market maker, Join in, Programs, FOB Santos (Platts) Soybean Futures Contract.



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Timetables

Filing of Expression of Interest	Filing of Accreditation Instrument and registration of the accounts	Start of activity	End of agreement
By November 12, 2021	By November 19, 2021	November 29, 2021	February 2, 2023

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

Activity parameters

Market makers must enter bids and asks in accordance with the Activity Parameters for Market Makers in the FOB Santos (Platts) Soybean Futures Contract is available at http://www.b3.com.br/en_us/, Products and Services, Trading, Market maker, Join in, Programs, FOB Santos (Platts) Soybean Futures Contract.

Market makers are required to register bids and asks until the fifth business day before expiration of the first contract month available for trading. After this, market makers must trade in the following contract month.

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 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.

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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.

For purposes of calculating the trading volume of participants, only those transactions will be considered that comply with the rules and procedures established for B3's futures market, with cancelled transactions and/or those that do not meet the necessary requirements for their execution being disregarded.

Test period

The market makers shall enjoy the following benefits, without complying with the activity parameters, for a period of ten business days prior to the start of their mandatory activity, so that they can perform connectivity, session and order routing tests, as well as the necessary technological configurations. After the test period, B3 will monitor the market makers' activity

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 and/or of the obligations set forth in this Circular Letter and in the Market Maker Agreement (Agreement of Accreditation for Market Maker Activity), or if the justification is not accepted by B3. The Agreement is available at www.b3.com.br/en_us, Products and Services, Trading, Market maker, Join In, Programs, FOB Santos (Platts) Soybean Futures Contract.

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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 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

Accredited market makers will benefit as set out in Annex II to this Circular Letter. 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 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. Further information can be obtained from Listed Products by telephone on +55 11 2565 7118/5709 or by email at formadordemercadob3@b3.com.br.

Gilson Finkelsztain
Chief Executive Officer

José Ribeiro de Andrade
Chief Product and Client Officer

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Annex I to Circular Letter 139/2021-PRE

Selection Procedure for Market Makers in the FOB Santos (Platts) Soybean Futures Contract

1. Eligibility

Only institutions that have submitted the duly filled in Expression of Interest form, as described in this Circular Letter, will be considered eligible in the selection process.

The five openings available in each asset for accreditation of the market makers are divided into two selection methods:

- Three openings reserved for primary allocations
- Two openings reserved for secondary allocations

If the openings reserved for primary allocations are not filled, they will be offered for secondary allocations in order to maximize the number of market makers accredited for this program

2. Primary allocation

To be eligible for primary allocations, institutions:

- 2.1.** Must have been accredited in the Commodities Market Maker Program governed by Circular Letter 003/2021-VPC, dated January 12, 2021;



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- 2.2. Will have a tie-breaker criterion of the number of B3 assets in which the candidate has already been active as market maker in the previous two years, if the number of candidates for primary allocation exceeds the number of openings.

3. Secondary allocation

Institutions not selected for primary allocation may be selected for secondary allocation on the basis of the following criteria:

- 3.1. As a market maker in one of the programs in effect at B3.
- 3.2. If the number of candidates for secondary allocation exceeds the number of openings, there will be a tie-break criterion of the number of B3 assets in which the candidate has already been active as market maker in the previous two years

4. Other allocations

The candidates that do not meet the primary allocation requirements may register for the remaining openings as of November 20, 2021 respecting the timeframe for submitting the Expression of Interest form.

The institutions that wish to take part in this program should seek guidance in the Procedures Guide for the Accreditation of Market Makers (Procedures Guide), available at http://www.b3.com.br/en_us/, Products and Services, Trading, Market maker, Join in, Accreditation



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Annex II to Circular Letter 139/2021-PRE

Incentives for Market Makers in the FOB Santos (Platts) Soybean Futures Contract

Market makers in the FOB Santos (Platts) Soybean Futures Contract shall receive the incentive in accordance with their performance in the asset's traded volume in the month of market making activity. There will be BRL 100,000.00 in credits distributed per month, to be allocated among market makers in the program in accordance with the selected criteria:

1. Eligibility to receive the credits is conditional on the market maker's compatibility with the parameters of maximum spread, round lot, minimum activity time and window for settlement price formation as set out in the Soy Activity Parameters document at www.b3.com.br/en_us, Products and Services, Trading, Market maker, Join In, Programs, FOB Santos (Platts) Soybean Futures Contract.
2. If the parameters set out in the item above are met, the market makers will take part in a monthly pool of BRL 70,000.00 in credits, a portion that each market maker shall receive in accordance with its performance in the market share by volume in the number of contracts traded in FOB Santos (Platts) Soybean Futures Contracts in that month.
3. Furthermore, the first and second places in the monthly market share ranking by volume among the market makers will receive BRL 20,000.00 and BRL 10,000.00 in credits respectively.



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Regarding use of the credits

1. B3 will inform market makers of the benefit on the last business day of the month that follows the market maker activity month.
2. The market makers must designate an exclusive settlement account to receive the benefits. The credits shall be used exclusively for deduction of the exchange fees and other fees that B3 charges on transactions with:
 - Cash Settled Live Cattle (BGI)
 - Cash-Settled Corn (CCM)
 - 4/5 Arabic Coffee (ICF)
 - Cash Settled Hydrous Ethanol (ETH)
 - US Dollar Futures Contract (DOL)
 - Mini US Dollar Futures Contract (WDO)
 - One-Day Interbank Deposit Futures Contract (DI1)
3. To enjoy the benefit, the market maker must also designate in the Accreditation Instrument one of the assets named above. Market makers may change these financial instruments, which will receive the credits during the course of the program with 30 days prior notice, sending notification to formadordemercadob3@b3.com.br.



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4. Credits granted will have unextendible validity up until the end of the month that follows the month of FOB Santos (Platts) Soybean Futures Contract market maker activity.
5. There will not be consideration of differentiation by type of investor; progressive discount policies by average daily trading volume (ADTV) tier or day trade volume; or any other discounts that B3 may bring into effect.