

August 16, 2018

010/2018-VPC

C I R C U L A R L E T T E R

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

Re: **Market Maker Accreditation Process for Cash Equities.**

B3 hereby announces the launch of the Cash Equities Market Maker Program (Program), for activity in stocks, ETFs and BDRs listed in the Annexes to this Circular Letter (assets).

Selection procedure

Institutions wishing to participate in this Program may request accreditation by completing the “Expression of Interest” form with their personal details and the assets of interest. This should be sent by email to formadordemercadob3@b3.com.br prior to the deadline shown in the Timetable section below.

The “Expression of Interest” form is available at www.b3.com.br/en_us/, Products and Services, Trading, Market maker, Join in, Contracts, Cash Market.

After receiving the “Expression of Interest” forms, B3 will allocate assets to each of the institutions, respecting their preferences and the number of openings offered. B3 will then announce the institutions selected for each asset.

The following will be accredited:

- Up to 2 (two) Market Makers for each stock in Group A;

010/2018-VPC

- Up to 3 (three) Market Makers for each stock in Group B, and for each ETF and BDR.

If the number of accreditation requests exceeds the number of available openings for each asset, B3 will select, at its sole discretion, the Market Makers to be accredited for each specific asset in question. This will take into consideration the assets selected in all Expressions of Interest, in order to maximize the number of Market Makers accredited under this Program.

Accreditation procedure

The selected institutions must formalize accreditation for the assets concerned by signing the Accreditation Instrument prior to the deadline shown below.

Guidance on filing the Accreditation Instrument can be found in the Procedures Guide for the Accreditation of Market Makers (Procedures Guide), available at www.b3.com.br/en_us/, Products and Services, Trading, Market maker, Join in, Accreditation.

Institutions that have not yet signed a Master Agreement with B3 must follow the procedures outlined in chapters 4, 5 and 6 of the Procedures Guide.

A specific Accreditation Instrument for this Program is available at www.b3.com.br/en_us/, Products and Services, Trading, Market maker, Join in, Contracts, Cash Market.

Activity parameters

The Market Makers accredited in this Program must execute buy and sell orders in accordance with the activity parameters (Parameters) defined in the Annexes to this Circular Letter.

The activity period during the trading session is 80%.

010/2018-VPC

The Parameters do not apply to market makers engaged by asset issuers. Such market makers must comply with the parameters defined in their respective service agreements.

Asset groups

The eligible assets for this Program are divided into two groups: Group A and Group B.

For every five (5) stocks in Group B for which an institution is accredited, it may be accredited for one (1) stock in Group A.

To maintain accreditation for Group A stocks, Market Makers must trade Group B stocks throughout the duration of the Program.

Accreditation for Group B stocks and for eligible ETFs and BDRs will not depend on accreditation for other assets.

Timetable

Filing of Expression of Interest	Announcement of selected Market Makers	Filing of Accreditation Instrument	Registration of accounts	Start of activity	End of agreement
By September 10, 2018	September 12, 2018	By September 21, 2018	September 28, 2018	October 15, 2018	October 14, 2019

B3 may, at its sole discretion, assess any Market Maker applications submitted outside the above timeframe, provided they are duly justified.

Performance assessment

B3 may assess each Market Maker’s performance six months after the start of its activity under this Program, comparing the quantity traded by it in each asset for which it is accredited with the total quantity of the same asset traded during its activity period.

010/2018-VPC

- Group A stocks: if a Market Maker's share of the total quantity of the asset traded during the period is less than five per cent (5%), B3 may replace it with another institution that has expressed interest in the asset concerned. It is important to note that for these assets there are additional performance requirements relating to the number of traded stocks for which the Market Maker is accredited, in accordance with Circular Letter 061/2015-DP, dated June 30, 2018.
- Group B stocks, ETFs and BDRs: if a Market Maker's share of the total quantity of the asset traded during the period is less than five per cent (5%), B3 may replace it with another institution that has expressed interest in the asset concerned.

Disaccreditation

In the event of disaccreditation of Market Makers accredited for the assets in this Program, B3 may select other institutions that have expressed interest in the assets concerned to replace the disaccredited institutions.

Accreditation and disaccreditation of Market Makers will always be disclosed to participants via B3's usual communication channels.

Test period

Market Makers may enjoy the benefits specified below without having to observe the Parameters for up to ten (10) business days before the start of their mandatory activity so that they can perform connectivity, trading session and order routing tests, as well as the necessary technological configurations. After this test period, Market Makers' activities will be monitored by B3.

Maximum number of parameter breaches

Accreditation to this Market Maker Program may be cancelled in the event of more than 12 (twelve) unjustified breaches of the Parameters and/or obligations

set forth herein and in the Master Agreement and Accreditation Instrument, or if the justification is not accepted by B3.

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 minimum activity period of thirty (30) days required by Circular Letter 109/2015-DP, dated October 8, 2015. If withdrawal occurs after the start of its activity, the Market Maker must comply with the thirty-day notice period without fail, so that its disaccreditation can be communicated to the market.

Benefits

Institutions accredited under this Program for stocks and ETFs will enjoy the benefits stipulated in the Fee Policy for stocks in Circular Letter 061/2015-DP, dated June 30, 2015, considering the first exemption criterion for Group A stocks and the second exemption criterion for Group B stocks, and for ETFs in Circular Letters 021/2017-DP, dated March 23, 2017. Institutions accredited under this Program for BDRs will be exempted from fees on purchases and sales of the BDRs for which they are accredited. To enjoy the benefits of this Program, each Market Maker must designate a single settlement account.

It should be noted that 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 Messages, as set forth in Circular Letters 039/2013-DP, dated May 27, 2013, and 050/2013-DP, dated July 30, 2013.

General provisions

Market Makers do not have exclusivity in the assets for which they are accredited, and asset issuers may therefore engage market makers of their own at their sole discretion.

010/2018-VPC

Market Makers for BDRs that are already accredited when this Circular Letter is published do not need to reapply for accreditation for the same assets but must comply with the rules established in this Program.

Market Makers have no obligations or formal ties to the issuers of the assets for which they are accredited, and are accountable only for the obligations established in the rules and regulations issued by CVM and B3 to govern this activity.

B3 may, at any time, include new assets in this Program and accept the accreditation of interested institutions.

Any issues regarding this accreditation process and this Program not explicitly addressed here will be resolved by B3.

Further information can be obtained from the Chief Product and Client Officer's team by telephone on +55 11 2565-4218/4042/4616.

José Ribeiro de Andrade
Chief Product and Client Officer

Cícero Augusto Vieira Neto
Chief Operating Officer

Annex I to Circular Letter 010/2018-VPC

Minimum Activity Parameters – Stocks Eligible for This Program

Group A

Asset	Maximum spread	Minimum quantity
ABEV3	0.25%	25,000
BBSE3	0.50%	9,000
BRFS3	0.75%	18,000
CIEL3	1.00%	30,000
FIBR3	0.50%	4,000
GOAU4	0.75%	45,000
RAIL3	0.75%	22,000
UGPA3	0.50%	5,000
USIM5	0.75%	60,000

Group B

Asset	Maximum spread	Minimum quantity
ALPA4	1.50%	8,000
AZUL4	1.25%	4,000
BBDC3	0.50%	4,000
BPAC11	1.50%	5,000
BRAP4	1.00%	6,000
BRDT3	1.00%	10,000
BRML3	0.75%	20,000
BRPR3	1.50%	10,000
BRSR6	1.00%	6,000
BTOW3	0.75%	4,000
CESP6	1.00%	4,000
CMIG4	0.75%	28,000
CPLE3	2.00%	3,000
CPRE3	2.00%	3,000
CSAN3	0.50%	3,000
CSNA3	0.75%	41,000
ELET3	1.00%	14,000
ELET6	1.00%	6,000
EMBR3	0.50%	9,000

010/2018-VPC

Asset	Maximum spread	Minimum quantity
ENGI11	1.50%	3,000
GFSA3	1.50%	8,000
GNDI3	1.50%	4,000
GOLL4	0.75%	7,000
HAPV3	1.25%	3,000
HGTX3	1.00%	6,000
KLBN11	0.50%	5,000
LAME3	1.50%	5,000
MRF33	1.25%	13,000
MRVE3	0.50%	8,000
ODPV3	1.50%	7,000
PARD3	1.50%	4,000
PCAR4	0.50%	3,000
POMO4	1.75%	30,000
RAPT4	1.50%	16,000
RENT3	0.75%	8,000
RNEW11	2.00%	2,000
SAPR11	0.75%	2,000
SAPR4	1.25%	8,000
SBSP3	0.50%	4,000
SEER3	1.50%	4,000
SLCE3	1.25%	2,000
TPIS3	2.75%	10,000
VVAR11	1.00%	9,000
WEGE3	0.50%	6,000
WIZS3	1,75%	10,000

Annex II to Circular Letter 010/2018-VPC
Minimum Activity Parameters – ETFs Eligible for This Program

Asset	Maximum spread	Minimum quantity
BBSD11	0.25%	2,000
	0.35%	10,000
	0.60%	20,000
BOVV11	0.15%	7,500
	0.20%	15,000
	0.25%	30,000
BRAX11	0.15%	1,500
	0.20%	4,000
	0.25%	15,000
DIVO11	0.15%	2,000
	0.20%	5,000
	0.25%	20,000
ECOO11	0.20%	500
	0.25%	2,000
	0.30%	12,000
FIND11	0.20%	2,000
	0.25%	5,000
	0.30%	20,000
GOVE11	0.20%	2,000
	0.25%	10,000
	0.30%	20,000
ISUS11	0.20%	2,000
	0.25%	5,000
	0.30%	20,000
IVVB11	0.10%	4,000
	0.15%	10,000
	0.20%	25,000
MATB11	0.20%	2,000
	0.25%	5,000
	0.30%	20,000
PIBB11	0.15%	5,000
	0.20%	10,000
	0.25%	20,000

010/2018-VPC

Asset	Maximum spread	Minimum quantity
SMAL11	0.25%	1,000
	0.35%	2,000
	0.60%	7,000
SPXI11	0.10%	4,000
	0.15%	10,000
	0.20%	25,000
XBOV11	0.10%	3,000
	0.15%	8,000
	0.20%	20,000

The parameters must be followed cumulatively for each ETF.

Annex III to Circular Letter 010/2018-VPC

Minimum Activity Parameters – BDRs Eligible for this Program

Sponsored BDRs

Asset	Maximum spread	Minimum quantity
BPAT33	2.00%	1,000
DAGB33	2.00%	1,000
GBIO33	2.00%	3,000
GPIV33	2.00%	5,000
WSON33	2.00%	1,000

Non sponsored BDRs

Asset	Maximum spread	Minimum quantity
AALC34	2.00%	1,000
AALL34	2.00%	1,000
AAPL34	2.00%	1,000
ABBV34	2.00%	1,000
ABTT34	2.00%	1,000
ACNB34	2.00%	1,000
AETB34	2.00%	1,000
AIGB34	2.00%	1,000
AMGN34	2.00%	1,000
AMZO34	2.00%	1,000
ARMT34	2.00%	1,000
ATTB34	2.00%	1,000
AVON34	2.00%	1,000
AXPB34	2.00%	1,000
BBYY34	2.00%	1,000
BERK34	2.00%	1,000
BIIB34	2.00%	1,000
BLAK34	2.00%	1,000
BMYB34	2.00%	1,000
BOAC34	2.00%	1,000
BOEI34	2.00%	1,000
BONY34	2.00%	1,000
BOXP34	2.00%	1,000

010/2018-VPC

Asset	Maximum spread	Minimum quantity
CATP34	2.00%	1,000
CHKE34	2.00%	1,000
CHVX34	2.00%	1,000
CLGN34	2.00%	1,000
CMCS34	2.00%	1,000
COCA34	2.00%	1,000
COLG34	2.00%	1,000
COPH34	2.00%	1,000
COTY34	2.00%	1,000
COWC34	2.00%	1,000
CSCO34	2.00%	1,000
CTGP34	2.00%	1,000
CTSH34	2.00%	1,000
CVSH34	2.00%	1,000
DEAI34	2.00%	1,000
DHER34	2.00%	1,000
DISB34	2.00%	1,000
DUKB34	2.00%	1,000
DWDP34	2.00%	1,000
EBAY34	2.00%	1,000
ESRX34	2.00%	1,000
EXXO34	2.00%	1,000
FBOK34	2.00%	1,000
FCXO34	2.00%	1,000
FDMO34	2.00%	1,000
FDXB34	2.00%	1,000
FMXB34	2.00%	1,000
FSLR34	2.00%	1,000
GDBR34	2.00%	1,000
GEOO34	2.00%	1,000
GILD34	2.00%	1,000
GMCO34	2.00%	1,000
GOGL34	2.00%	1,000
GOGL35	2.00%	1,000
GPRO34	2.00%	1,000
GPSI34	2.00%	1,000
GSGI34	2.00%	1,000
HALI34	2.00%	1,000

010/2018-VPC

Asset	Maximum spread	Minimum quantity
HOME34	2.00%	1,000
HONB34	2.00%	1,000
HPQB34	2.00%	1,000
HSHY34	2.00%	1,000
IBMB34	2.00%	1,000
ITLC34	2.00%	1,000
JCPC34	2.00%	1,000
JNJB34	2.00%	1,000
JPMC34	2.00%	1,000
KHCB34	2.00%	1,000
KMBB34	2.00%	1,000
LBRN34	2.00%	1,000
LILY34	2.00%	1,000
LMTB34	2.00%	1,000
MACY34	2.00%	1,000
MCDC34	2.00%	1,000
MDLZ34	2.00%	1,000
MDTC34	2.00%	1,000
METB34	2.00%	1,000
MMMC34	2.00%	1,000
MOSC34	2.00%	1,000
MRCK34	2.00%	1,000
MSBR34	2.00%	1,000
MSCD34	2.00%	1,000
MSFT34	2.00%	1,000
NFLX34	2.00%	1,000
NIKE34	2.00%	1,000
ORCL34	2.00%	1,000
PEPB34	2.00%	1,000
PFIZ34	2.00%	1,000
PGCO34	2.00%	1,000
QCOM34	2.00%	1,000
RIGG34	2.00%	1,000
ROST34	2.00%	1,000
SANC34	2.00%	1,000
SBUB34	2.00%	1,000
SCHW34	2.00%	1,000
SLBG34	2.00%	1,000

010/2018-VPC

Asset	Maximum spread	Minimum quantity
SPRN34	2.00%	1,000
SSFO34	2.00%	1,000
TEXA34	2.00%	1,000
TGTB34	2.00%	1,000
TIFF34	2.00%	1,000
TMOS34	2.00%	1,000
TRVC34	2.00%	1,000
TSLA34	2.00%	1,000
TSOR34	2.00%	1,000
TWTR34	2.00%	1,000
TWXB34	2.00%	1,000
UBSG34	2.00%	1,000
UPAC34	2.00%	1,000
UPSS34	2.00%	1,000
USBC34	2.00%	1,000
USSX34	2.00%	1,000
UTEC34	2.00%	1,000
VERZ34	2.00%	1,000
VISA34	2.00%	1,000
VLOE34	2.00%	1,000
WALM34	2.00%	1,000
WFCO34	2.00%	1,000
WUNI34	2.00%	1,000
XRXB34	2.00%	1,000