

December 03, 2024  
169/2024-PRE

## CIRCULAR LETTER

Listed B3 Participants

Re.: **End of the Nonresident Non-Algorithm Traders Incentive Program for DI x IPCA Spread Futures (DAP)**

B3 hereby informs you that the Nonresident Non-Algorithm Traders Incentive Program for DI x IPCA Spread Futures (DAP) announced in Circular Letter 053/2022-PRE, available in Annexes I and II hereto, will come to an end on **December 30, 2024**.

This Circular Letter fully revokes Circular Letter 053/2022-PRE, dated May 5, 2022.

Further information can be obtained from the Chief Product and Client Officer's team by telephone on +55 11 2565-6324/7119 or by email at [jurosemoedas@b3.com.br](mailto:jurosemoedas@b3.com.br).

Gilson Finkelsztain  
Chief Executive Officer

Mario Palhares  
Chief Operating Officer – Electronic  
Trading and CCP

## **Annex I to CIRCULAR LETTER 169/2024-PRE**

### **Nonresident Non- Algo Traders Incentive Program for DI x IPCA Spread Futures (DAP)**

B3 hereby informs you that the Nonresident Non- Algo Traders Incentive Program for DI x IPCA Spread Futures (DAP) will come into effect as of the publication of this Circular Letter, remaining in force until **April 30, 2025**.

This Program will only register the accounts of traders linked to proprietary trading firms that are based abroad.

The Program seeks to incentivize DAP screen trading by these investors, who will be granted benefits for DI Futures Contract (DI1) transactions.

Up to two firms will be accredited for this Program. If the accreditation requests exceed the number of openings, selection of the firms and any change to the maximum number of firms to be accredited will be at B3's sole discretion.

#### **Benefits**

The program grants credits for deducting B3's exchange fees and other charges on transactions with the One-Day Interbank Deposit Futures Contract (DI1), in accordance with the number of screen-traded DAP contracts, whatever the nature of the transaction (buy or sell) or contract month.

## **Eligibility**

Firms that trade exclusively with their own capital and the traders registered by them, who trade in accordance with the prevailing Brazilian legislation and regulations for nonresident investors, are eligible for the Program. Participants that request openings in the Program must meet the requirements described below.

### **Eligible firms must**

- (i)** Be foreign institutions that comply with the provisions of CMN Resolution 2.687/2000 or CMN Resolution 4.373/2014.
- (ii)** Trade exclusively with their own capital
- (iii)** Trade solely through non algo or synthetic ISV order generation strategies with human parameterization throughout the day in the accounts registered in the Program.
- (iv)** Not trade with high-frequency and systematic trading models.
- (v)** Not use co-location as their DMA connectivity.

### **Eligible accounts or traders**

- (i)** Cannot participate or request participation in other DAP incentive programs for nonresident investors during the course of the Program.
- (ii)** Cannot be registered as market makers in the same accounts that will be used in the Program.

## Timeframes

Instrument of Accreditation Filed	Instrument of Accreditation Analysis	Benefit Starts	Program Ends
Until November 30, 2024	Five business days	Two business days after validation of the Instrument of Accreditation	April 30, 2025

B3 may extend this Program at its sole discretion. If the end of the obligation with the Program is postponed, B3 will publish a Circular Letter with information about the extended period, changes to the activity parameters and other necessary provisions.

## Accreditation procedure

Firms that want to take part in the program must request the Instrument of Accreditation at [client-services@b3.com.br](mailto:client-services@b3.com.br) or [jurosemoedas@b3.com.br](mailto:jurosemoedas@b3.com.br).

The Instrument of Accreditation must be duly filled in, signed and sent to the email addresses given in the paragraph above.

The calculation rules and models, the limits and the calculation conditions are contained in the Annex hereto.

B3 will resolve any omissions regarding the Program.

## **Annex II to CIRCULAR LETTER 169/2024-PRE**

### **Nonresident Non- Algo Traders Incentive Program for DI x IPCA Spread Futures (DAP)**

B3 S.A. – Brasil, Bolsa, Balcão (B3), a corporation headquartered in this Capital of the State of São Paulo, at Praça Antonio Prado, 48, 7<sup>th</sup> floor, enrolled with the Corporate Taxpayer (CNPJ) No. 09.346.601/0001-25, will promote the Nonresident Non- Algo Traders Incentive Program for DAP (Program), in accordance with the terms and conditions described herein.

#### **1. Exchange fees and other charges on DAP transactions**

Exchange fees and other charges will be exempted on buying and selling in DAP by the accounts that are accredited in the Program.

#### **2. Minimum targets and maximum incentives**

The term of the Program will be divided into five periods. A minimum target and a maximum monthly benefit will be determined for each period, as in the table below.

### 3. Targets

Period	Term	Minimum target (in ADV)	Maximum monthly benefit
1	May 16, 2022 to Oct. 31, 2022	200	BRL 210,000
2	Nov. 1, 2022 April 30, 2023	400	BRL 262,500
3	May 1, 2023 to Oct. 31, 2023	600	BRL 315,000
4	Nov. 1, 2023 to April 30, 2024	800	BRL 420,000
5	May 1, 2024 to April 30, 2025	1,000	BRL 525,000

Each firm accredited in the Program will have an ADV target for each of the periods in the above table, which cannot be less than the minimum target.

The target for each period will be calculated in accordance with the model below.

$$\mathbf{TARGET}_P = \mathbf{MAXIMUM}(\mathbf{MINIMUM} (120\% \times \mathbf{ADV}_{\mathbf{PARTICIPANT}}; 5\% \times \mathbf{V}_{\mathbf{SCREEN}}); \mathbf{MINIMUM TARGET})$$

Where:

**TARGET<sub>p</sub>** : target for the next period

**ADV<sub>PARTICIPANT</sub>**: largest average daily volume for DAP contracts in all the previous periods, in accordance with the time terms established in item 2. To obtain this result, the total number of contracts traded by the firm must be divided by the number of trading sessions in the same period

**V<sub>SCREEN</sub>**: screen-traded volume by the market in the previous period

**MINIMUM TARGET**: target defined by B3 for each period, in accordance with the table in item 2 of this Annex

#### 4. Benefit granted

Following due compliance with the parameters described below, which vary according to the period of the Program, the accredited firm will receive the benefit in the form of credits to be used exclusively for deducing exchange fees and other charges related to DI1 transactions.

The benefit is calculated monthly, and credits shall be granted and used by the last business day following the calculation month.

Nonresident Non-Algo Traders will lose the right to the credits if these are not used by the last business day of the month that follows the calculation month. The credits' validity will not be extended (for example, credits in reference to September 2022 must be used by the last business day of October 2022).

The benefit will be calculated in accordance with the model below.

$$\text{INCENTIVE} = \text{MINIMUM} (\text{ADV}_{\text{DAP}} \times \text{M} \times \text{VC} \times \text{P} ; \text{IM})$$

Where:

**ADV<sub>DAP</sub>**: average daily volume for DAP contracts, considering all the accounts of the firm that is registered in the Program, in the month that the result is calculated

**M**: value of the multiple of contracts granted, calculated by dividing the firm's ADV in DAP and the  $\left(\frac{\text{ADV}_{\text{DAP}}}{\text{Target}}\right)$  target, with the result limited to 5 (five)

**VC**: BRL 0.50 fixed amount (average cost on the transactions)

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**P:** number of trading sessions held by B3 in the result's calculation month

**IM:** maximum Monthly benefit defined by B3 for the period, in accordance with the table for item 2 of this Annex