



ANNUAL
REPORT

2023



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Presentation





About the Report

This document meets the regulatory requirement related to the annual reporting of the surveillance and inspection activities of BSM Market Supervision. Through its content, covering activities carried out throughout the year, one can understand the role and delivery of value of BSM's self-regulation to all market players, as well as its contribution to the health and integrity of the Brazilian market.

The Report is subject to limited assurance by an external audit, carried out by Deloitte Touche Tohmatsu Auditores Independentes Ltda, which is also responsible for auditing BSM's Financial Statements and the Investor Compensation Mechanism (MRP).

As established by [CVM Resolution 135](#), BSM's Self-Regulation Officer must, within the remit of his duties, draw up and submit to the Self-Regulation Board, the Board of Directors of B3 and then to the Brazilian Securities and Exchange Commission (CVM), the Annual Report on the Self-Regulatory Department activities, reviewed by an independent auditor registered with the CVM.

The 2023 Work Plan established the following guidelines for BSM:

- Using a system for allocating hours, with the purpose of monitoring the development and execution of professionals' daily activities.
- Intensifying activities related to BSM's Institutional Representation through participation in national and international forums.
- Improving BSM's service structure with the implementation of a specific tool and definition of service indicators for the body.
- Structuring the Participant Relationship area at BSM and developing a knowledge matrix for Participants supervised by BSM.

- Addressing the activities of the Working Groups formed from the BSM Market Advisory Committee.
 - Working Group on Indirect Continuous Joint Monitoring of Data
 - Working Group on Registration Data Completeness
 - Working Group on CVM Resolution 178
 - Working Group on CVM Resolution 179
 - Working Group on Participants Risk Model
- Addressing the activities of the Internal Working Groups of the BSM Self-Regulation Board.

- Creating alternatives for the development of processes and controls by the market.
 - Publishing a document called Alert Guide
 - Developing and publishing Benchmarks calculated by BSM for the market
- Continuing actions to increase operational efficiency.
 - Risk-based surveillance
 - Process automation
 - Implementation of the Self-Regulation Board module on the BSM Portal, as well as progress in the implementation of the Enforcement module
 - Evaluation of a tool to supervise media and social media operated by influencers hired by Participants in markets managed by B3

- Continuing the provision of surveillance and inspection services for market infrastructures.
- Constructing a new agreement with the CVM aimed at accessing and using systems and data employed by BSM, and applicable to the Regulator's work.
- Monitoring the national and international regulatory environment.

Further information about this report can be obtained by email bsm@bsmsupervisao.com.br.



Carlos Menezes

CHAIRMAN OF THE SELF-REGULATION BOARD

Message from the **Chairman of the Self-Regulation Board**

Trust is a core element in the world of investments and business: it is what allows economic agents to implement their plans, take risks and turn the wheels of the economy.

This naturally includes the capital market. In Brazil, the development that this trading environment has shown in recent years is linked to several factors, but, without a doubt, it involves the great credibility of the local investment ecosystem.

Over time, domestic and foreign investors have found in the markets managed by B3 a safe and efficient platform with clear rules – and which also offers an increasingly broad portfolio of products to allow diversification strategies.

As the entity responsible for the self-regulation of said markets, BSM plays an important role in the challenge of ensuring their integrity, protecting Participants and investors and supporting all players with guidance and training.

Aware of this scenario, the Self-Regulation Board continued the work of aligning BSM's operations with CVM Resolution 135 in 2023. This regulation, which became effective in September 2022, establishes rules and guidance for our actions as a self-regulatory entity.

Within this context, we publish new versions of four core documents: the Procedural Regulations, the Investor Compensation Mechanism (MRP) Regulations, the Internal Regulations of the Self-Regulation Board and the Bylaws of BSM.

Throughout the year, said regulations underwent changes that reflect the required adjustments to adapt them to the provisions provided for in CVM Resolution 135, thus making BSM's operations more connected with market developments and the view of regulators.

To continue evolving, we have also invested in the creation of three working groups. One of them is aimed at discussing controversial topics; another at delving deeper into matters that are addressed by the Board members at annual meetings; and the third dedicated to standardizing the understanding of certain matters for application by Board members when judging Disciplinary Administrative Proceedings and appeals within the scope of the Investor Compensation Mechanism (MRP).

Another initiative we carried out during this period was to map out the standards that generated the most doubts in the market and that required clarification so that Participants could comply with them properly.

Based on this exercise, we developed or improved 11 Surveillance Standards (rules that are mandatory for Participants to comply with and subject to surveillance) and 2 Guidance Notes (indications of best practices), in addition to 12 External Communications, as presented below.

To put all the developments into practice and deepen the market transparency and robustness, we had a very intense year. Overall, we carry out:

- 17 meetings of the Self-Regulation Board
- 6 trial sessions of Disciplinary Administrative Proceedings (PADs)
- 12 appeal judgments within the scope of the MRP
- 8 sessions of analysis of Settlement Agreement proposals
- 6 working group meetings
- 3 meetings with the CVM Board

We are confident that the Brazilian capital market will continue evolving rapidly in the coming years. At BSM, we will be attentive to changes, aiming to ensure timely action aligned with new trends and market needs. We will endeavor our best efforts to maintain a safe and transparent business environment in compliance with the rules.

We will work by valuing our proximity to Participants, investors and regulators, innovating in internal processes, investing in technology and people, and providing the capital market with the effectiveness, trust and integrity required to continue accelerating.

Carlos Menezes

Chairman of Self-Regulation Board

Message from the **Self-Regulation Officer**

The Brazilian capital market has shown a strong trend towards sophistication and maturity in recent years. Among other points of improvement, it expanded its product portfolio and investor base; it has become more digital and accessible; and burst the financial market bubble by gaining space on social media.

For us at BSM, this transformation process represents a major challenge. Our role is to monitor changes in real time, understand their implications for the security and efficiency of the markets in which we operate and quickly adjust the self-regulation framework and processes.

We remain attentive to this scenario in 2023. To fulfill our responsibility to supervise, protect and guide the market, we implemented several novelties and improvements, both in our internal processes and in the direct relationship with Participants and investors.

The intensification of continuous joint monitoring of data is one of our developments to ensure regulatory

compliance, using advanced analytical and data intelligence tools to collect and analyze large volumes of data delivered by Participants in the organized markets managed by B3 and supervised by BSM.

Risk-based surveillance (RBS) has also been a great ally for optimizing internal processes and more effectively managing our resources, considering that we managed to channel efforts into the higher risk areas and processes.

We also advance in international representation through participation in the several forums of the International Organization of Securities Commissions (IOSCO) and the IOSCO's Affiliate Members Consultative Committee (AMCC), as well as through dialogue with international regulators and self-regulators with the purpose of exchanging experiences and obtaining supervisory benchmarks. Thus, we reinforce the dialog with domestic entities carrying out and supporting actions related to Anti-money laundering and combating the financing of



André Demarco
SELF-REGULATION OFFICER

terrorism and proliferation of weapons of mass destruction (AML/CFT).

Another novelty was the publication of the BSM Alerts Guide, developed with the purpose of sharing knowledge on the construction of monitoring alerts, the surveillance of offers and the identification of operations that present indications of potential atypical situations in the capital market.

With the same purpose, we started calculating and publishing a set of Benchmarks monthly. Said indicators allow you to compare a set of data with a benchmark or observed pattern, thus assisting in identification of significant deviations.

Important advances in the period also included the publication of the new version of the Loss Investor Compensation

Mechanism (MRP) Regulation, the increase in the threshold of reimbursements and the internal efficiency gain, which accelerated the resolution of processes and improved the experience of the investor who uses the MRP, leading us to reach the lowest number of cases in the recent history of this mechanism.

We also evolved in the experience offered to Participants and investors through the creation of a Relationship area, which included the hiring of professionals dedicated to the topic and the consolidation of our Service area.

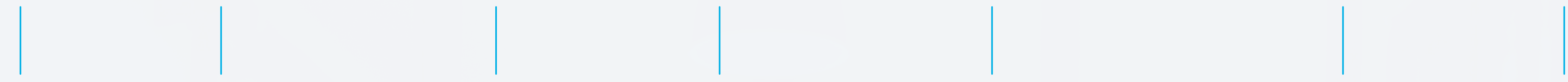
We invested in training to establish the BSM Way of serving in 2023 (#PGA – because we believe), adopted an internal management tool, which allowed the monitoring and tracking of indicators, and we launched BSM's WhatsApp, another channel for

receiving complaints. These and many other deliveries in 2023 are thoroughly reported on the following pages.

In 2024, we, the BSMers, will remain attentive to the fast development of the Brazilian capital market and committed to maintaining a transparent and reliable environment, with a self-regulation service that preserves the security and efficiency of markets and always contributes to guiding and protecting Participants and investors.

André Demarco

Self-Regulation Officer



Profile



About us

We are BSM, the main self-regulator in the Brazilian capital market, a civil association created to independently supervise the organized markets managed by B3, the operations performed there and the Participants with the right of access to its organized markets.

We also carry out monitoring, surveillance and inspection activities for other entities that wish to rely on our experience.

We operate with administrative and budgetary autonomy and are regulated by the Brazilian Securities and Exchange Commission (CVM).

Mission

Have a close relationship with the market to maintain its **integrity** and protect all its agents.



Pillars of Activity



Market Integrity

We monitor orders and transactions carried out in B3 markets, audit its Participants and act to prevent irregular practices, aiming to foster a balanced and transparent market for stakeholders.

We also assist Participants in adopting best practices through the publication of Guidance Notes, as well as in complying with current rules, through the publication of Surveillance Standards.



Protection of Participants and investors

We manage B3’s Investor Compensation Mechanism (MRP), whose role is to compensate investors for harmful actions or omissions by the Participants in the B3 stock exchange market.

We provide Participants, investors and regulators with specific service channels that expedite demands and are positioned as a reference and a point of dialogue between such agents; and a Relationship area, prepared to understand the demands of Participants and communicate with our technical areas.



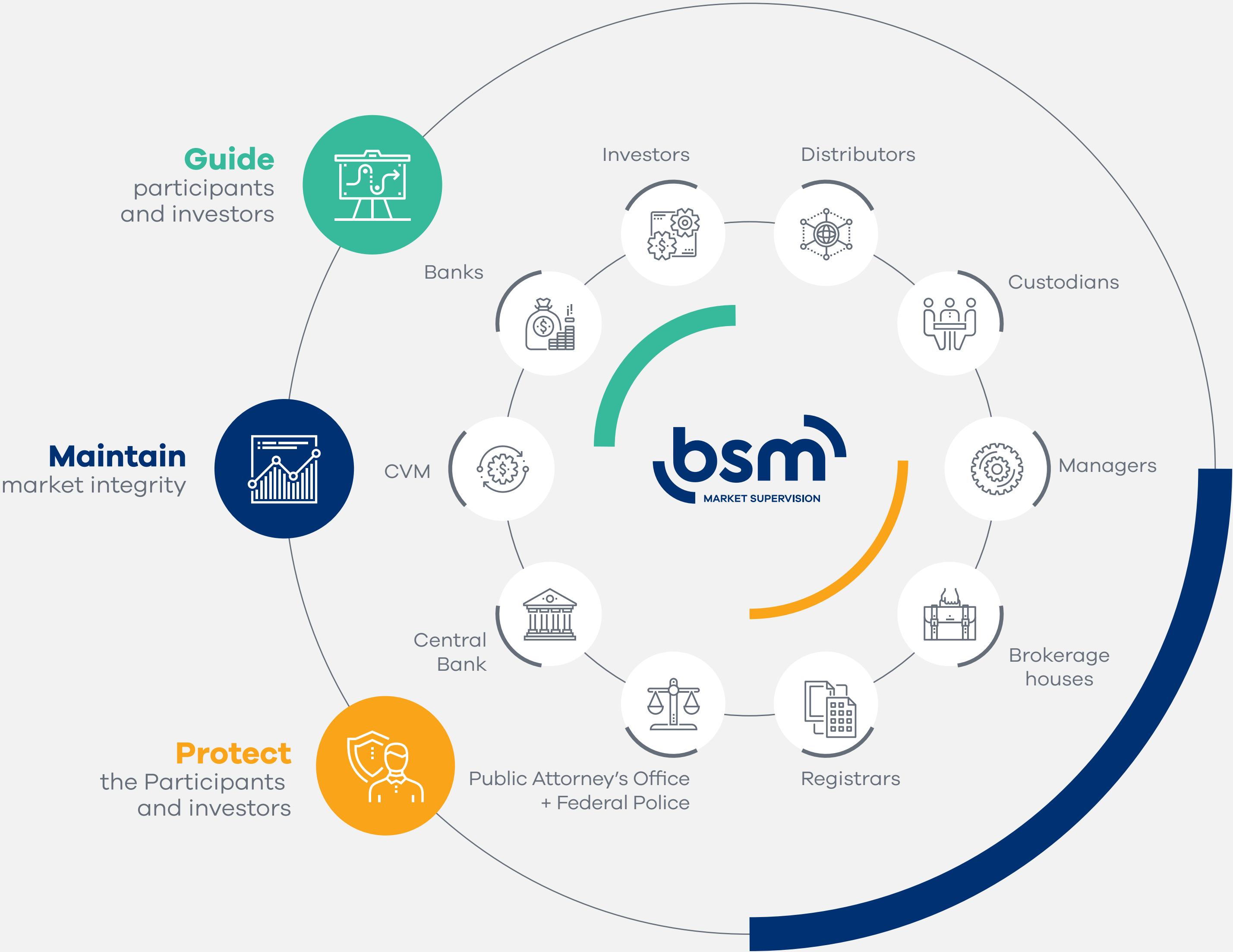
Knowledge, professional training and guidance

We believe in the value of education initiatives as a market development tool. We exchange knowledge with Participants, share content to train a well-informed and conscious investor, and qualify professionals to work in capital market surveillance.

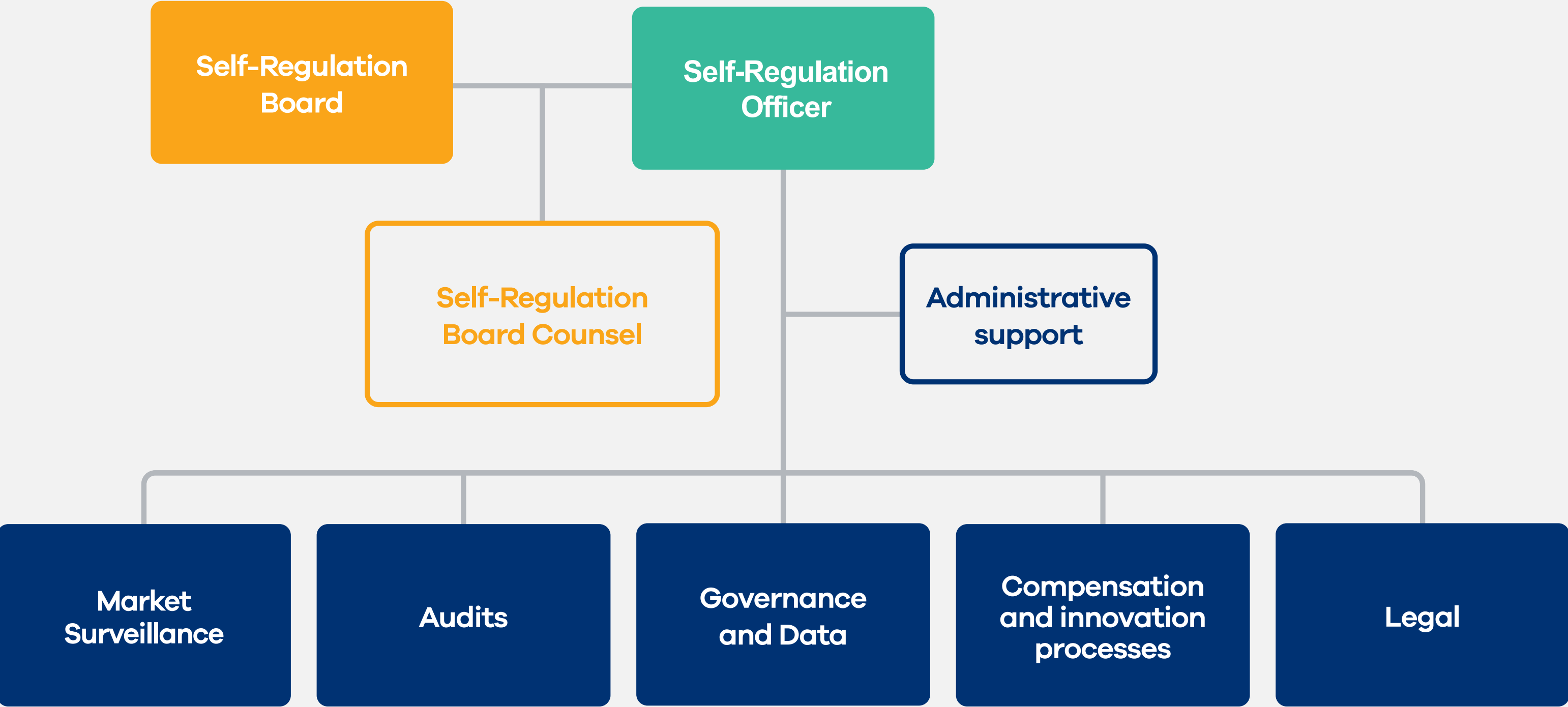
→ **Discover the BSM-Inspers course in the Knowledge, professional training and guidance chapter**

Our commitments

- Carry out self-regulation, surveillance and inspection for organized markets managed by B3.
- Offer our surveillance and inspection services to market infrastructures that choose BSM as a provider of such services.
- Inspect and audit Participants who have access to markets managed by B3.
- Carry out necessary actions to preserve market integrity and protect Participants and investors with guidance and training activities.
- Guide and support market Participants to adopt best practices to comply with the rules in force.
- Adopt Enforcement measures whenever necessary.
- Manage the B3 Investor Compensation Mechanism (MRP).



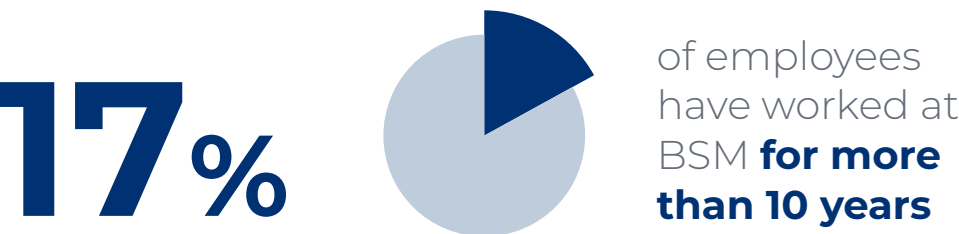
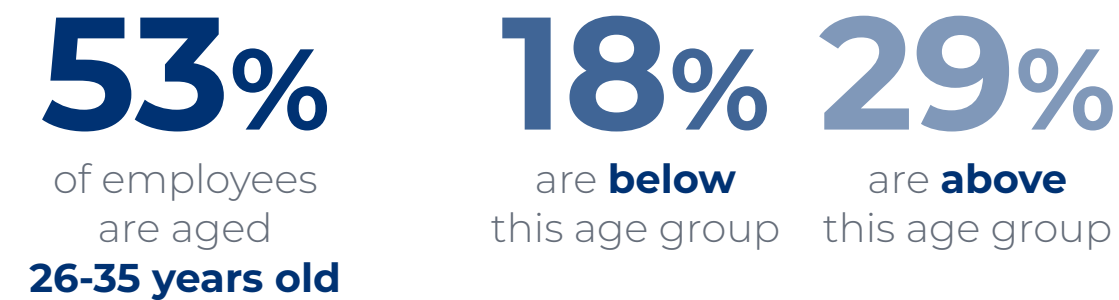
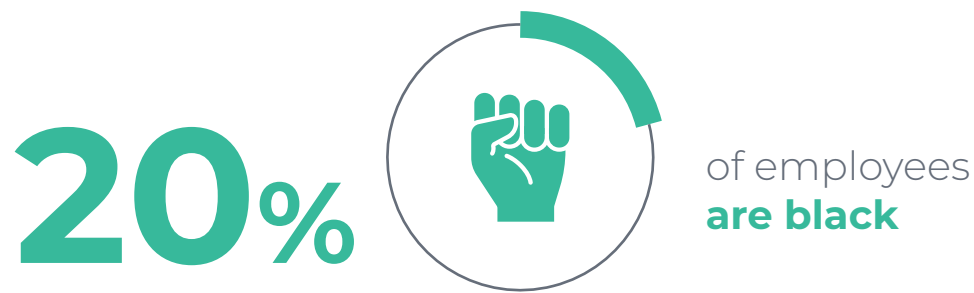
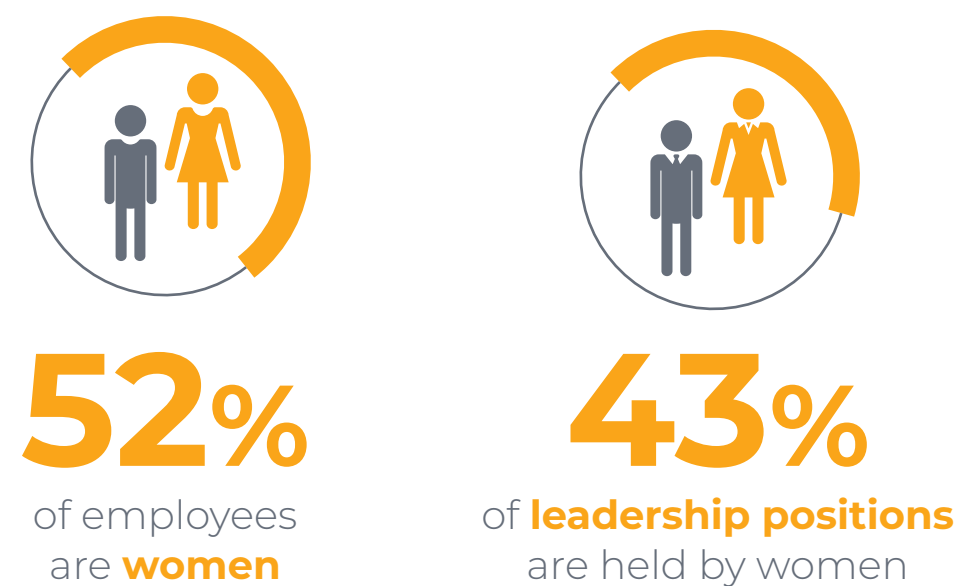
Our structure



Pillars of Activity



Staff profile



Self-Regulation Board

The Self-Regulation Board is a fundamental part of the BSM structure. The body has the following responsibilities:

- Approve the budget proposal and the annual work plan.
- Approve the strategy.
- Supervise compliance with the annual work plan.
- Approve activity reports sent periodically to the regulator.
- Approve regulatory, procedural and operational standards.
- Deliberate on Settlement Agreement proposals presented by the Defendants.
- Judge Disciplinary Administrative Proceedings (PAD) and appeals presented within the scope of the MRP.

In 2023, the Self-Regulation Board formed new working groups for three purposes: discuss controversial topics, delve deeper into matters that are addressed by Board members in annual meetings and standardize the understanding on certain matters for application by Board members when judging Disciplinary Administrative Proceedings and appeals within the scope of the MRP.

The Self-Regulation Board held 17 meetings throughout the year to discuss and deliberate on topics; 6 sessions of judgments of Administrative Disciplinary Proceedings; 12 appeal judgments within the scope of the MRP and 8 sessions for analysis of Settlement Agreement proposals, which resulted in the signing of 7 Settlement Agreements. Furthermore, 6 working group meetings and 3 in-person meetings were held with the CVM Board.

→ See the list of members of the Self-Regulation Board in the annex of this report.

Table 1 – Judgments and analyzes of Settlement Agreements carried out in 2023

Activity	Quantity
Ordinary Disciplinary Administrative Proceedings completed	6
Settlement Agreements signed (by party)	7
Judgments of MRP appeals	12

→ Find out more about administrative disciplinary proceedings in the Enforcement topic.

Update of regulations

In 2023, we published new versions of four documents: [Procedural Regulation](#), [MRP Regulation](#), [Internal Regulations of the Self-Regulation Board](#) and the [Bylaws of BSM](#). All the documents were evaluated and approved by the Self-Regulation Board, with changes that reflect the required adjustments to adapt the regulations to the provisions set out in CVM Resolution 135, dated 06/10/2022, in addition to other improvements.

Throughout 2023, the Self-Regulation Board also analyzed and approved 11 Supervisory Standards, 2 Guidance Notes and 12 External Communications.

→ Find out more in the [Surveillance Standards, Guidance Notes and External Communications topic](#).

Aiming to streamline consultation and access to Surveillance Standards and Guidance Notes, we have made new documents available: [Surveillance Standards Catalogue](#) and [Guidance Notes Catalogue](#), which bring together all current Surveillance Standards and Guidance Notes and are permanently updated on the BSM website.



Dialogue with the Market



BSM Market Advisory Committee

The Market Advisory Committee is an important communication channel between BSM and the Participants. Through this forum, Participants come together to share experiences and debate issues relevant to market development.

The Market Advisory Committee undertakes to:

- carry out studies and analyzes regarding interpretations of standards applicable to the market, the surveillance of which is under the responsibility of BSM; and
- present suggestions about BSM activities.

In July 2023, the term of office of the current members of the BSM Market Advisory Committee started for the biennium from July 2023 to July 2025.

→ [See the members of 2023 on the page Who we are of the BSM website in the Market Advisory Committee Composition category.](#)

Throughout 2023, 6 meetings of the Advisory Committee were held, in which various topics were discussed, among which the following stand out:

- Main results of regular, specific and follow-up audits performed in 2022, as well as the schedule of audits planned for 2023.
- Result of audits carried out in 2023, indicating points requiring special attention by the market.
- No exemption from five audit processes as of 2024.
- Review of Test Scripts for audits to be carried out in 2024.
- Digital Influencers Guidance Note.
- Surveillance Standard on monitoring Operations with the same Counterparty
- Surveillance Standard for Investment Advisors.
- Surveillance Standard on Failure to Deliver Assets in the Stock Market.
- Surveillance Standard on Latency Indicators.

- Update to the BSM Supervisory Standard on Cross Orders for Assets and Derivative Contracts of the B3 Listed segment.
- Publication of Surveillance Standards Catalogs and Guidance Notes.
- New methodology for defining samples and maintaining the percentage of lack of order to objectify a sanctioning measure of 4% in 2023.
- Discontinuation of sharing of layering and spoofing alerts, planned to occur as of 2024.
- Need to give prior notice to clients about compulsory liquidation in intermediation contracts.
- No requirement for certification of signature when requesting transfer of securities (STVM).
- Publication of [RCVM 178 FAQ](#) together with the Brazilian Association of Investment Advisors (ABAI), a document containing the main questions received by institutions in relation to the content of the [CVM Resolution 178](#), published in 2023.

- New version of [Operational Qualification Program Roadmap \(PQO\)](#), with changes brought due to CVM Resolution 178.
- Publication of the [Alerts Guide](#), document in which suggestions for creating alerts related to possible atypical situations in orders and operations are presented.
- Monthly publication of [Benchmarks](#) to the market by BSM, indicators used to compare a set of data with a benchmark or observed standard, aiming to identify possible anomalies or significant deviations in relation to this standard.
- Means for capturing the participation of investment advisors in the investor's decision-making process, as a way of bringing greater accuracy to churning indicators.
- PNP/PN access model.

- Guidance for correctly completing the Self-Trade Prevention (STP) in the trading system.
- Work under development with the purpose of improving the certification and recertification model.
- Participants' risk model.
- Use of managed and recommended portfolios and procedures adopted by the market.
- New BSM Complaints Channel and publication of the [Complaints Guide](#).
- Partnership between Ibmecc, BSM and B3, focused on the development of courses, seminars, lectures, workshops, study groups and publications.
- BSM Suggestions Channel.

→ **We have made available a document on our website that presents the main highlights of the BSM Committee meetings held in 2023. [Click here to access it.](#)**

Participation of the Advisory Committee in BSM Working Groups (GTs)

Working Group on Indirect Continuous Joint Monitoring of Data

Formed in 2022, this Working Group discusses the model of indirect continuous joint monitoring of data and the main data trails to be continuously shared by Participants with BSM. The objective of this monitoring format is to make the identification of weaknesses and their regularization by Participants more agile and efficient, aiming to simplify the demand for regular or specific audits.

Among the main products of the Working Group, the publication of the BSM Layout Manual in June 2023 stands out, containing the definition of formats, contents and periodicity of files and data tracks, defined by us. In November 2023, we published the second version of the Layout Manual, followed by an English version of the document, in response to a demand from the market itself and which established dates for the delivery of data by the market.

Working Group on Registration Data Completeness

The Working Group sought to analyze and discuss the topic related to the completeness of registration data of customers with whom the Participants have a relationship. A meeting was held with the participation of representatives from the Superintendency of Relations with the CVM Intermediary Market (SMI).

Working Group on CVM Resolution 178

The Working Group sought to analyze and discuss the main changes brought by the standard in the investment advisor activity. Over the course of two meetings, the main obligations of the standard and the doubts raised by the market were discussed, which were taken into consideration when issuing the Surveillance Standard on the topic.

Working Group on CVM Resolution 179

The Working Group discussed the duty to provide information on the remuneration received by intermediaries and investment advisors as a result of investments made by clients. In December, the second meeting was held with the participation of the Brazilian Financial and Capital Markets Association (**Anbima**), on which occasion it detailed the main discussions conducted on the topic within the scope of its own Working Group.

Working Group on Participants Risk Model

The Working Group was formed to deepen discussions on the risk models currently existing on the market, especially considering their heterogeneity and the need to provide due transparency and clarity to investors, mainly retail investors, in relation to these rules.

Institutional Representation

Actively participating in forums is fundamental to our mission as a self-regulator. In addition to collaborating in the Market Advisory Committee, we also participate in other entities.

Anbima – Brazilian Financial and Capital Markets Association

- Investment Products Distribution Board
- Public Offers Board
- Third party fund Management Board
- Financial Instruments Trading Board
- Certification Board

Abrapp – Brazilian National Association of Pension Funds

- Self-Regulation Board.

B3

- Committee on Anti-money laundering, combating the financing of terrorism and the financing of the proliferation of weapons of mass destruction (AML/CFT)
- Operational Qualification Program (PQO) Committee

AMCC – IOSCO Affiliate Members Advisory Committee

- Meetings promoted by AMCC
- Collaboration in Newsletter giving visibility to BSM initiatives in the Brazilian market

IOSCO – International Organization of Securities Commissions

- Meetings, workshops and webinars promoted by IOSCO

Foreign self-regulatory bodies

- Interactions with some of the main regulators and self-regulatory organizations, aiming to strengthen ties between institutions, as well as exchange supervisory experiences and benchmarks between institutions to keep BSM at the forefront of global trends.
- Monitoring of events, publications and decisions of regulators and self-regulators.

Furthermore, BSM started to make its publications available in Portuguese and English on its website, thus facilitating access by foreign stakeholders, especially Participants with global operations.



Market Integrity

Audit

Our surveillance through audits aims to assess the compliance of market Participants’ processes and controls with current standards. Audit is one of the mechanisms through which we fulfill our duty of surveillance and inspection over Participants with access to organized markets managed by B3.

Table 2 – Audits carried out in 2023

Types of audits	Quantity
Specific	157
Follow-up	96
Regular	33
Indirect	09
Pre-operating	06
Regular in 2022 (issue in 2023)	03
Specific in 2022 (issued in 2023)	66
Grand total*	370

* Of the 370 audits completed in 2023, 69 were started in 2022.

Regular Audits

We carry out audits on Participants periodically to detect behaviors that may threaten the efficiency, regularity, transparency and integrity of the organized markets managed by B3.

This includes the identification of failures or irregularities in compliance with legal and regulatory standards verified in Participants authorized to access B3's managed markets, including B3's own regulations, through inspection and surveillance of rules, procedures and internal controls of said Participants, through the execution of regular audits.

Based on the results of regular audits, Participants that present sufficiently mature processes and controls may be exempt from regular audit cycles in later years.

Throughout 2023, we focused part of our efforts into auditing the organized over-the-counter market, which contains specific processes and systems.

Processes assessed in regular audits of the listed segment

- Information Security
- Business Continuity:
- Infrastructure Support
- Change Management
- Monitoring and Operation of IT Infrastructure
- Register Clients
- Suitability
- Execute Orders
- Manage Custody of Assets and Positions
- Settle Trades
- Manage Risk
- Internal Controls
- Professional Certification
- Investment Advisor
- Surveillance of Operations and Orders
- Anti-Money Laundering, Combating the Financing of Terrorism and the Financing of the Proliferation of Weapons of Mass Destruction (AML/CFT)

Processes assessed in regular audits of the over-the-counter segment

- Register Clients
- Register Participant
- Suitability
- Execute Orders
- Manage Custody of Assets and Positions
- Settle Trades
- Anti-money laundering, combating the financing of terrorism and the financing of the proliferation of weapons of mass destruction (AML/CFT)

Specific or thematic audits

These are audits which involve the verification of a particular topic or rule, or which occur to investigate signs of irregularities found in MRP, PAD processes, complaint, regular audits or other BSM procedures.

The topics chosen for thematic audits are those relevant to the market at a given moment or requested by the CVM, B3 or even driven by a complaint received by BSM.

Table 3 – Specific audit topics in 2023

Topics	2023	Topics	2023
Specific Audit – RCVM 160 Technical Cooperation Agreement (Issuer and Intermediary)	8	Specific Audit – Listed Custodian	4
Specific Audit – Agribusiness	1	Specific Audit – Listed Bookkeeper	3
Specific Audit – Registered Assets	27	Specific Audit – Listed Settlement Participant	4
Specific Audit – OTC Fiduciary Agents	3	Specific Audit – Orders (Investment Advisor)	1
Specific Audit – OTC Custodian	3	Specific Audit – Pre-PAD (1/2023)	1
Specific Audit – OTC Bookkeeper	4	Specific Audit – Tranche Orders	8
Specific Audit – OTC Manager	4	Specific Audit – AML/CFT	54
Specific Audit – Alert Letters	26	Rendering of Service	4
Specific Audit – Complaint	1	Grand total	157
Specific Audit – Gold Smelter	1		

BSM's data and analytics area develops summary information queries and provides data samples to support thematic audits of custody transfer processes, asset lending and compulsory liquidation.

AML/CFT Specific Audit

Specific audit to verify the effectiveness of the measures adopted by the Participants to avoid the recurrence of failures identified in previous reports, as well as current procedures and diligence that the Participants implements to comply with current standards on AML/CFT, focusing on Risk-Based Approach (ABR) and Internal Risk Assessment (AIR).

Custodian Specific Audit (Listed and OTC)

Specific audit to verify the controls adopted by the Securities Custodian to: (i) open and maintain investor registration data; (ii) requirements for validation and acceptance of the investor's custody transfer request; (iii) handle operation instructions received from investors or persons authorized by contract or mandate; (iv) daily reconcile the positions maintained in the Custodian's accounts and the positions maintained and reported by the Central Depository; (v) provide information to investors; (vi) provide content of the securities custody service agreement between the investor and the Custodian; (vii) ascertain the existence of rules, procedures and internal controls; (viii) store and maintain information and documents related to assets under custody; and (ix) AML/CFT procedures and monitoring.

Specific Audit of Bookkeeper (Listed and OTC)

Specific audit to verify the controls adopted by the Bookkeeper to: (i) open and maintain records books; (ii) register information relating to ownership, rights, encumbrances and corporate events relating to securities and respective supporting documentation; (iii) handle securities movement instructions, deadline for compliance and verification of powers for such movements; (iv) daily reconcile the positions recorded in the Bookkeeper's controls and the records maintained by B3; (v) provide service channels and send information about positions and events regarding assets to holders and issuers (contractors) of registered securities; (vi) provide content of the securities bookkeeping service agreement between the issuer and the Bookkeeper; (vii) ascertain the existence of rules, procedures and internal controls; and (viii) store and maintain information and documents relating to recorded assets.

Specific Audit of Fiduciary Agent (OTC)

Specific audit to verify the controls adopted by the Fiduciary Agent to: (i) appoint the Fiduciary Agent; (ii) replace the Fiduciary Agent; (iii) CVM/BACEN registration; (iv) conflicts of interest; (v) disclose information; (vi) store Information; (vii) prove the existence and completeness of the collateral and guarantee of the asset; (viii) monitor the separate assets account; (ix) update the list of security holders; (x) provide periodic information (Annual Report); (xi) provide possible information (announcements of possible asset information); and (xii) default.

Manager Specific Audit (OTC)

Specific audit to verify the controls adopted by OTC Managers for the following processes: (i) Participant Registration; (ii) Representative Registration; and (iii) Cetip Trader Registration – Voice Module.

Settlement Participant Specific Audit (Listed)

Specific audit to verify the controls adopted by the Settlement Participants for the following processes: (i) Onlending contracts; (ii) Settlement and Allocation; (iii) AML/CFT; (iv) Operations Surveillance; and (v) Risk Management.



Follow-up audit

Follow-up audits, which are carried out to verify compliance with the action plans presented by the Participants, due to notes made in audits, enforcement measures or due to the signing of Settlement Agreements, in accordance with the Procedural Regulations of BSM.

Pre-operating audits

Carried out in accordance with B3 rules and consider operational and technological requirements related to the activities carried out by the institution requesting access authorization.

Indirect audits


Indirect audits are carried out based on data and information periodically provided by Participants to BSM using internal tests. This type of audit, which can be carried out in conjunction with the operational audit, verifies, among other items, compliance by Participants with economic and financial requirements and the monitoring of the transactions of people linked to intermediaries.

Market Surveillance

The market surveillance activity seeks to identify indications of irregularities in operations based on alerts generated based on statistical models.

If signs of irregularities are detected in the alert analysis, Participants may be questioned to provide clarifications and additional information in relation to the transactions analyzed. Once an irregularity is found, the situation is forwarded to the adoption of measures by the Self-Regulation Officer.

We also investigate the creation of artificial demand, supply or price conditions, unfair practices, irregular activity, among other issues.

A photograph of three people standing in an office environment. On the left is a man with dark hair wearing a dark blue polo shirt. In the center is a woman with curly dark hair wearing a red t-shirt and blue jeans. On the right is a woman with long dark hair wearing a white t-shirt and a floral skirt. They are all smiling at the camera. A semi-transparent green box is overlaid on the bottom left of the image, containing white text.

By having the data, knowledge of the rules and knowing market operation, the Monitoring area, together with the Data area, identifies the market standard to apply statistical models to identify outliers.

Analysis of atypical situations

Alerts are built in the phase prior to analysis, in which the supply and business practices and standards are studied and subsequently subjected to joint tests with the data area to identify and establish parameters. Alerts identify operations with indications of atypical situations that are forwarded to a more detailed analysis.

- After in-depth analysis and identification of atypicality, we can question Participants in search of additional information to build an understanding of the transaction carried out – that is, cases are opened and deepened to investigate the facts.
- If the evidence of irregularity is not proven, the case is closed internally.
- If the evidence is proven during the investigation of the facts, it will be forwarded to BSM Enforcement measures.

Table 4 – Cases initiated by hypothesis opened in 2023

Hypotheses	Quantity
Price manipulation or creation of artificial demand, supply or price conditions	63
Undue use of privileged information	54
Signs of money laundering (transfer of funds or other irregularities)	33
Out-of-market operations	12
Irregular portfolio management	7
Other	27
Grand total	196

Table 5 – Forwarding of cases closed in 2023

Filed	135
Forwarded to Enforcement	31
Forwarded to CVM	17
Grand total	183

We always seek to quickly contain new irregular practices. The work is constant and inherent to market evolution.

2023 Highlights

The ongoing search for improving our processes and gaining efficiency materialized in the deliveries listed below.



Simplification
of Market
Monitoring reports



Reduction in
analysis times



Intensification of
continuous indirect
data monitoring

Organized OTC market

During the year 2023, we strengthen surveillance of over-the-counter and organized market operations. The work focused on the need to get closer to the Participants in this segment to explain what their duties are in the process of operations monitoring.

Over-the-counter transaction recording practices and standards are verified in our monthly alerts and transformed into analyses, aiming to check for possible atypical situations in the market. In 2023, we made improvements to our OTC alerts and indicators with the purpose of increasing our effectiveness.

Cross-market

The evaluation of operations carried out in the cross-market involves capturing transactions carried out in the listed segment, but which generate an impact on the over-the-counter market or vice versa. The search is to capture abusive practices related to both markets or in one market with an effect on the other.

In 2023, we intensified cross-market surveillance by implementing alerts that detect signs of atypical situations in combined operations between the listed and over-the-counter segments, in addition to improving existing alerts, revisiting the parameters and expanding them to new products.

Market alerts, indicators and controls

In 2023, we will focus efforts in developing and improving market monitoring alerts, as described below.

Listed

- Implementation of the day trade ranking – listed
- Implementation of the Capture Account alert
- Implementation of indicator for surveillance of Same Group Operations (OMG)
- Operating pattern break indicators for investors, in conjunction with the CVM

OTC

- Improvement of OTC ranking
- Improvement in the alert of money pass from the same manager
- Implementation of monthly control of entries on the B3 Counter Trading Platform versus entries on the B3 OTC Post-Trading Platform
- Implementation of indicators for:
 - Defaulted securities
 - Position of Fixed Income Securities by instrument and investor

Cross-market

- Implementation of alerts for:
 - Price driver for derivatives
 - Insider trading for derivatives
 - Breaking the Standard for Asset Lending (BTB)
 - Cross-market anticipation and maturity
- Improved insider trading alert for the spot market.

Enforcement

Activity carried out by BSM to determine responsibility for non-compliance with standards whose compliance it undertakes to monitor.

The purpose of Enforcement measures is to improve the standards of conduct of supervisees, prevent the repetition of irregularities and encourage the adoption of adequate processes and internal controls.

Enforcement activity can range from sending Letters of Recommendation and Warning Letters to the filing of Disciplinary Administrative Proceedings (PAD).

With the entry of the new version of the BSM Procedural Regulation into force in 2023, the establishment of a PAD can now be preceded by a precautionary measure, an instrument through which the Self-Regulation Officer cautiously determines the suspension of a practice considered irregular or any other measure that it considers essential to preserve the market health.

Table 6 – Enforcement measures adopted in 2023

Warning Letters	159
Letters of Recommendation	39
PADs filed	17
PADs completed*	14

*Of the PADs completed in 2023, 3 were filed in 2021 and another 3 were filed in 2022. The remaining 8 PADs were filed and completed in 2023.

→ [Learn more about settlement agreements in the topic Disciplinary Administrative Proceedings.](#)

Letters of recommendation

The Letter of Recommendation is the instrument through which the Self-Regulation Officer recommends the improvement of conduct, rules, procedures and/or internal controls.

Main topics of the 39 Letters of Recommendation issued in 2023

- Related Persons
- Specific Audit – Transfer of Security Custody on the Stock Market
- Specific Audit – Compulsory Liquidation
- Follow-Up Audit – Risk-Based Approach and Internal Risk Assessment
- Specific Audit – Test the capacity of trading infrastructure in a stress scenario
- Conclusions of Technical Market Surveillance Reports

Warning Letters

The warning letter is the instrument through which the Self-Regulation Officer determines that the irregular practice is ceased so the recurrence will not take place.

Main topics of the 159 Warning Letters issued in 2023

- Related Persons
- Follow-Up Audit – Risk-Based Approach and Internal Risk Assessment
- Specific Audit – Retail Liquidity Provider (RLP)
- Lack of registration update of OTC Participants
- Occurrence involving the process of receiving and executing the Securities Custody Transfer Request (STVM) from clients
- Conclusion of complaints received by BSM

Administrative Disciplinary Proceedings (PADs)

These are administrative procedures to investigate and, when necessary, punish violations of the rules that we supervise and monitor.

In 2023, we established 17 PADs. Of these, 12 are summary proceedings and relate to non-compliance with the duty of related parties to operate through the Participant to which they are linked. The other 5 PADs are summary proceedings and originate from work conducted by the Audit area. We concluded 14 PADs, 13 of which were judged and one was concluded through the signing of a Settlement Agreement.

Table 7 – PADs completed in 2023

Proceedings completed	14
Total defendants	18
Applied fines	4
Warnings	9
Settlement Agreement	1

PAD 1/2021 has four defendants. Of these, three Settlement Agreements signed with BSM in 2022, the year in which the PAD in question was terminated in relation to these defendants. For the defendant which did not sign a Settlement Agreement, the proceeding was closed by trial in 2023.

PAD 2/2022 has two defendants, one of whom signed a Settlement Agreement in 2022, whose obligations were concluded in 2023, and another defendant signed a Settlement Agreement in 2023, ending the PAD.

The PAD aims to adapt the conduct of those supervised to the standards required to preserve market integrity

The conviction in a PAD may result in the application of a warning, fine, suspension (up to 90 working days) and temporary disqualification (up to 20 years)

Both in the phase prior to the filing of the PAD, and at any time until its judgment in lower courts, Settlement Agreements can be signed, by which the bidding party undertakes to:

- cease the practice considered irregular;
- adopt measures to prevent recurrence; and
- indemnify third parties for possible losses.

The Self-Regulation Board is responsible for analyzing, accepting or rejecting the Settlement Agreement proposals.

In 2023, 7 Settlement Agreements were individually signed, 2 of which were prior to the adoption of an Enforcement measure.

After the closure of the PAD and in case of signing a Settlement Agreement, the respective documents are published for [consultation on the BSM website](#), observing the protection of any personal data and other sensitive information.

Self-Regulation Board's role in PADs

In addition to being responsible for judging PADs, the Self-Regulation Board analyzes the jurisprudence of the cases judged. This contributes to our commitment to ensuring a more honest and transparent market

Data, Indicators and Information Systems

There are several actions aimed at generating data, indicators and information systems, involving activities related to the areas of the BSM Self-Regulation Department.

The areas of market surveillance, audit and innovation work in partnership with the data area, from initial ideation to implementation through the creation of prototypes, execution of pilot projects, testing and approval for implementation in production environments.



Innovation

The capital market has advanced fast in Brazil, which creates new challenges for self-regulation activities. Our team is connected to innovation and fully capable of finding solutions to continue fulfilling our role of preserving the market integrity, guiding and protecting Participants and investors.

BSM Alert Guide

Believing in the exchange of knowledge as a valuable tool for maintaining a transparent market, we published the BSM Alerts Guide, developed with the purpose of sharing our knowledge and experience in creating alerts for monitoring and supervising offers and identifying transactions that present signs of potential atypical situations in the securities market. Thus, we hope that Participants can benefit from this experience to autonomously equip or improve their own market monitoring systems, in a manner consistent with their respective operating models.

The first version of the Guide includes alerts regarding atypical transfer of resources, insider trading, layering, spoofing, front running and atypical gains in day trade operations.



Layering and spoofing alerts

In September 2023, we communicated to the market that, as of January 2, 2024, we would discontinue sharing alerts of any nature, given that intermediaries undertake to supervise their clients' businesses and orders with a view to identifying and preventing irregular practices.

At the same time, we started publishing the BSM Alerts and Benchmarks Guide to support intermediaries in fulfilling their duty to monitor all orders and operations intermediated by them, to comply with regulatory and self-regulation regulatory requirements.

Disclosure of Market Benchmarks

In addition to the Alerts Guide, we started publishing a set of Benchmarks calculated monthly by BSM. Benchmarks are indicators used to compare a set of data with a reference or observed standard, and may be parameters so participants will be able to identify possible anomalies or significant deviations in relation to this standard.

BSM Reports Automation

We have taken important steps towards efficiency and agility by implementing automated reporting. This initiative aims to optimize the data compilation process, aiming to provide more accuracy, reduce errors and save time.

With automation, we managed to generate reports quickly and accurately. This allows teams to focus on more strategic analysis and decision making. We will continue exploring the automation possibilities in our processes, seeking to further improve the efficiency and quality of our reports.



Protection of Participants and Investors



B3 Investor Compensation Mechanism

The MRP assures that investors will receive compensation for losses proven to be caused by actions or omissions of Participants in the markets managed by B3 (brokers and distributors of securities) and their administrators and agents, relating to the intermediation of stock exchange operations with securities and custody services.

This mechanism is maintained by B3 and managed by BSM, which receives and analyzes requests for reimbursement, initiates and monitors the reimbursement processes with the preparation of a technical report and legal opinion, ending with the judgment of cases. MRP is constantly improving, so that the parties involved and demands are carefully met, with agility and fairness.



New MRP Regulation

In 2023, we published the new version of the MRP Regulation, highlighting the following items:

- change and equalization of the compensation period to the investor and recomposition of the MRP by the broker;
- change in the update index applied to reimbursements and MRP recomposition by IPCA brokers + interest of 6% per annum year (Selic); and
- insertion of a recommendation that the investor access the brokerage’s customer service and ombudsman channels before starting the MRP.

Increase in MRP compensation threshold

On August 30, 2023, the CVM, in a board meeting, approved the change in the compensation threshold of the MRP from R\$ 120 thousand to R\$ 200 thousand, which came into force on January 2, 2024. The new maximum value will be applied to facts subject to reimbursement of losses by the MRP that occurred after its effectiveness.

Losses arising from the intervention or decree of out-of-court liquidation of a Participant by the Central Bank of Brazil are also covered by the MRP, but compensations related to public or private fixed income securities are not within the scope of the mechanism.

Table 8 – MRP in 2023

Requests received	334
Completed requests	469
Number of compensations (*)	73
Compensation volume (*)	R\$ 1,248,855.51

(*) Including cases judged by the CVM from years prior to 2023.

Table 9 – Topics of requests received

Platform failure	94
Orders	85
Compulsory Liquidation	80
Out-of-court Liquidation	2
Other topics	73
Total	334

We started the year 2023 with 214 processes in progress and we ended with 67, accounting for a reduction of 69%. This achievement is the result of the increased efficiency in analyzes provided by the structuring of the new processes implemented. Thus, we significantly reduced the average process completion time: from 98 working days, in 2022 to 52 working days for cases that were received in 2023. This means a reduction of 47%, which improves the investor’s experience when activating the MRP and fulfills the duty of providing a quick response to compensation requests made.

Signs of irregularities

MRP reimbursement requests can represent a relevant source of information. During the analysis of requests, it is possible, in some situations, to identify signs of irregularities, which helps to improve market monitoring and audit practices of Participants. This interaction contributes to increasing our effectiveness and performance, in addition to contributing to the preservation of market integrity and the protection of Participants and investors.

Surveillance Standards, Guidance Notes and Other Communications

As part of our role of self-regulation, surveillance and inspection, we prepare Surveillance Standards and Guidance Notes, with the purpose of providing transparency to the market about the duties to be fulfilled, the way BSM is supervised and possible consequences of non-compliance with the rules, in addition to guiding the participants in the best practices to fulfill their duties.

The rules that are mandatory for Participants to comply with and subject to surveillance by BSM are known as **Surveillance Standards**. Indications of best practices are communicated by BSM as **Guidance Notes**.

During 2023, we identified standards that raised doubts in the market and that required clarification so that Participants could properly comply with them. Based on these findings, we developed and/or updated Surveillance Standards and Guidance Notes to clarify these doubts.

Throughout the year, we published 11 Surveillance Standards, 2 Guidance Notes and 12 External Communications.



Surveillance Standards published in 2023

BSM 01/2023

Update of the BSM Surveillance Standard regarding Electronic Counterparty Search Systems Offered by Participants

It includes the requirement for Participants to indicate the treatment of active intentions in the system and excludes the possibility of inserting intentions that cannot be immediately met in the Central Order Book.

BSM 03/2023

Update of Surveillance on Request for Transfer of Security Custody

It details the stage of requesting the securities transfer, as well as including the electronic controls for such transfer, detailing the due diligence expected of Participants regarding such processes.

BSM 06/2023

Update of Surveillance Standard on Operations of People Linked to the Intermediaries

Updates the rules for requesting transfer of securities when received by a related person and defines the rules relating to people linked to the OTC market, among other updates.

BSM 02/2023

Update of the Surveillance Standard regarding Securities Lending Operations

Updates the due diligence expected by Participants regarding their duty to provide information to their clients, in cases of securities lending operations, among other adjustments.

BSM 04/2023

Cancellation of auction offers due to operational error

Details the surveillance regarding the cancellation of auction offers, which participate in the formation of the theoretical price, due to an operational error, and the diligence regarding evidence justifying the respective operational error.

BSM 07/2023

Result and Exemption of Participants from Regular Audits

Informs Participants about the methodology adopted by BSM for presenting the results of audits and criteria for exempting B3 Listed Segment Participants from regular audits carried out by BSM.

BSM 11/2023

Operations with the same Counterparty (OMC)

It presents the monitoring to be carried out by Operations with the same Counterparty (OMC), including the Responsibility for monitoring and analyzing OMC in trade and post-trade by Participants, and the minimum controls for such surveillance.

BSM 28/2023

Update to the BSM Supervisory Standard on Cross Orders for Assets and Derivative Contracts of the B3 Listed segment.

It addresses BSM's surveillance of direct orders for the assets and derivative contracts of the B3 listed segment, considering Circular Letters 176/2022-PRE, dated 12/13/2022 and Circular Letter 045/2023-PRE, dated 04/04/2023, as well as the scope of cross orders analyzed by B3 and BSM in the phased monitoring between the entities.

BSM 30/2023

Surveillance Standard for Investment Advisors.

It addresses the obligations related to the investment advisor activity and the surveillance and inspection procedures adopted by BSM in relation to Participants and investment advisors linked to them.

BSM 27/2023

BSM Surveillance Standard on Failed Delivery of Assets on the Stock Market

It addresses BSM's surveillance procedures for Participants regarding information transmitted to clients about the risks of delivery failure in asset purchase and sale operations and the mechanisms to ensure the settlement of assets on the Stock Exchange market.

BSM 29/2023

Update of the Surveillance Standard on Latency Indicators of Electronic Trading Platforms and Service Level Agreements.

Updates the procedures to be followed by Participants that offer electronic trading platforms for access to B3 systems, which are used by retail clients of B3 Listed segment, and on the fulfillment of service level agreements (SLA's) by Participants to their retail clients.

Guidance Notes published in 2023

BSM 20/2023

Digital Influencers

Indicates the best practices to be adopted by Participants in the contractual relationship with Influencers.

BSM 26/2023

Update of Guidance Note on Trading securities outside markets managed by B3

Defines the OTC desk trading, the securities admitted or not to this type of trading, the conditions and execution criteria so that the practice occurs properly.

External Communications published in 2023

BSM 05/2023

Maximum Tolerance Percentage for Lack of Order – 2023 Audit Cycle

Announces the maintenance of a percentage of lack of order to objectify a sanctioning measure of 4% in 2023.

BSM 08/2023

Criteria for Selection of Sample Orders in Regular Audits

Informs that BSM will select a maximum of 260 orders from Participants, so that the sample size of Participants is proportional to the number of registered orders, among other information on the topic.

BSM 10/2023

File layout and trail manual

Publishes the Layout Manual for Files and Trails that must be delivered by Participants to BSM.

BSM 13/2023

BSM Catalogs of (i) Surveillance Standards and (ii) Guidance Notes

Publishes BSM’s catalogs of surveillance standards and guidance notes.

BSM 14/2023

Reformulation of the BSM Complaints Channel

Announces the reformulation of the BSM Complaints Channel, aimed at addressing potentially irregular situations, involving professionals, investors and/or authorized Participants and with access to organized markets managed by B3.

BSM 15/2023

New BSM Suggestion Channel

Announces the launch of the Suggestions Channel, available on BSM website.

BSM 18/2023

Changes in BSM Standards

Discloses the changes to the BSM Procedural Regulations, the Internal Regulations of the BSM Self-Regulation Board and the BSM Glossary to comply with the provisions of CVM Resolution 135/22.

BSM 19/2023

Resolution of the Self-Regulation Board 01/2023 – Administrative and Financial Aspects of the MRP

Announces the Resolution of the Self-Regulation Board 01/2023, which became effective on 09/01/2023, except for the new maximum amount for reimbursement of losses through the MRP, which came into force on 01/02/2024.

BSM 22/2023

Discontinuation of Alert Sharing, launch of BSM Alerts Guide and Benchmarks

Announces the discontinuation of alert sharing and the publication of the BSM Alert Guide, which aims to disclose good practices for identifying opportunities, developing monitoring alerts and supervising orders and operations that capture signs of atypical situations.

BSM 24/2023

Application of new monetary update and late-payment fine criteria

Clarifies questions regarding updates to our regulations. Among them, the criteria for inflation adjustment of reimbursements made under the MRP as of 09/01/2023.

BSM 25/2023

Second Version of the Layout Manual for Files and Trails

Publishes the updated version of the document.

BSM 31/2023

New MRP reimbursement limit

Announces the new MRP reimbursement limit, which was changed from R\$ 120 thousand to R\$ 200 thousand, effective as of 01/02/2024.

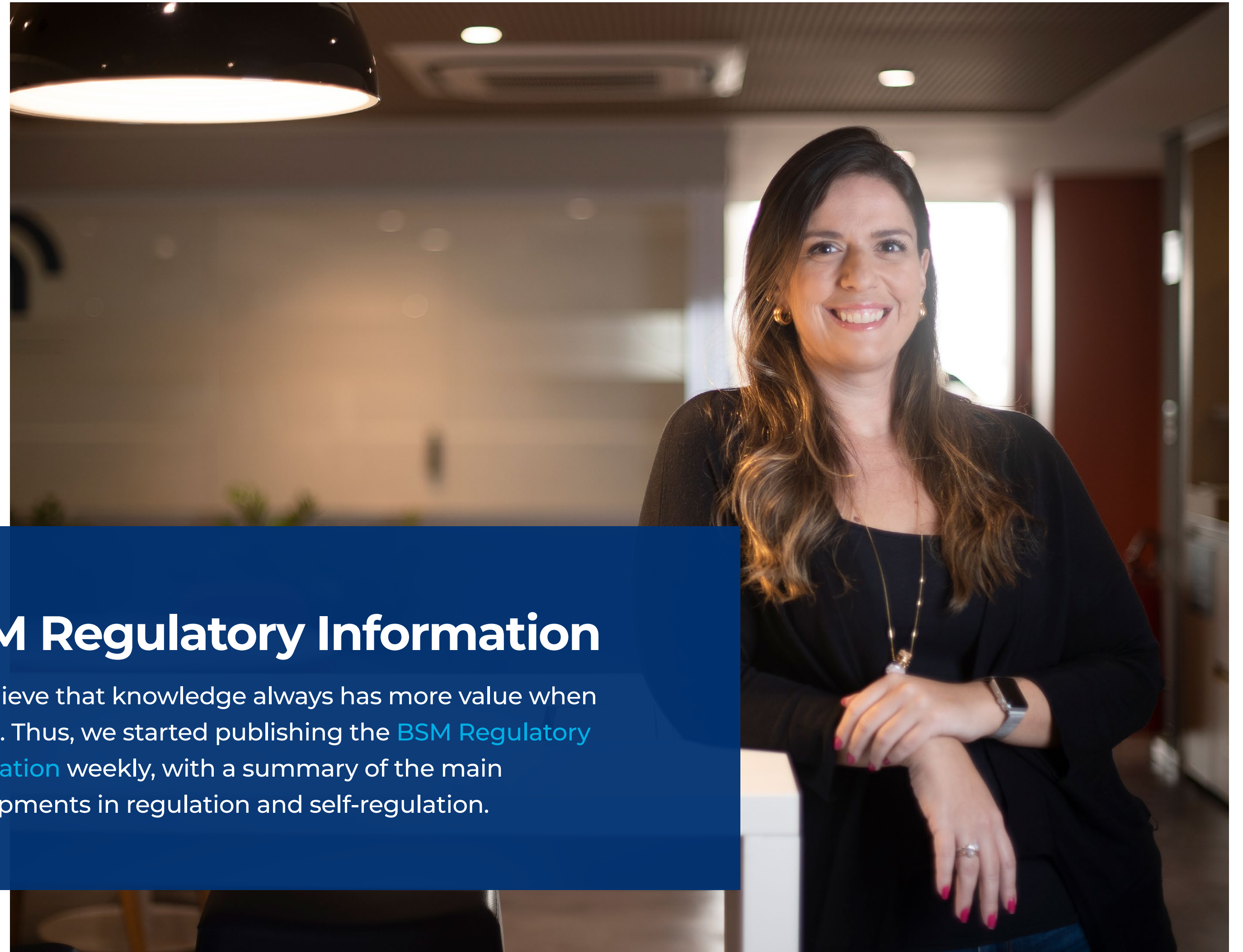
BSM Process Decision Bank – Historical Process System


During the year 2023, we developed an internal process classification and search system: the Historical Process System (SPH). We classified more than 5,000 documents relating to MRP processes.

The SPH is an artificial intelligence (AI) platform capable of identifying and classifying processes and documents, providing legal and market intelligence to BSM. With the SPH, BSM optimizes process consultation, aiming to provide greater security for decisions in the technical area and process forwarding, offering greater legal security to the market.

BSM Regulatory Information

We believe that knowledge always has more value when shared. Thus, we started publishing the [BSM Regulatory Information](#) weekly, with a summary of the main developments in regulation and self-regulation.





Knowledge, Professional Training and Guidance



Service and Relationship

Service

We consolidated the Customer Service area in 2023. We also participate in training aimed at improving the excellence of our work.

We also implemented a specific service tool, which allowed to carry out monitoring and establish the indicators listed below.

- Number of calls answered and made
- Number of calls per area (Successfully completed, Answered, Lost, Voicemail, Abandoned and Not completed)
- Number of calls per extension (Successfully completed, Answered, Lost, Voicemail, Abandoned and Not completed)
- Service fee
- Abandonment rate

- Voicemail quantity
- Service time
- Waiting time
- Topics addressed

Furthermore, the Go Live of BSM WhatsApp, the WhatsApp channel for sending complaints, occurred in July. The new feature enables more accessible and effective interaction to identify possible market irregularities. Regardless of the channel used, the personal data of the complainant is kept confidential. In 2023, there were 134 interactions via WhatsApp.

We currently have a team dedicated to analyzing, forwarding and monitoring response times and monitoring indicators.

Relationship

We structured our Relationship area in 2023, hiring new professionals.

Aiming to strengthen our relationship with Participants, we provide a specific representative for each of the groups:

- domestic conglomerates;
- independent brokers; and
- foreign institutions.

This customized approach allowed us to significantly improve interaction with Participants, aiming to strengthen collaborative ties and promote an honest, transparent and efficient environment.

Finally, this proximity has contributed to building a relationship base integrated into BSM's internal system.

Complaints channel

The official channel for complaint irregularities in B3 markets



We have a specific complaints channel, available so that investors, market professionals, Participants and other *stakeholders* can send information that helps in investigating indications of irregularities.

The channel is an important source of information for our inspection activities.

BSM Complaint Guide



We developed the Complaints Guide, material with tips on how to prepare a complain, to support investors and Participants. The publication is aimed at anyone seeking to report irregularities to BSM. Its content presents five practical examples of complaints and relevant information, as presented below.

- Differences between the complaints channel and MRP
- How to submit a complaint
- How to prepare a complaint
- Handling of the complaint by BSM

Seeking to improve the experience of our audiences, we have made available a new means to present complaints, WhatsApp.

→ Find out more in the Service and Relationship topic.

Table 10 – Complaints received by channel

Email	107
BSM Portal	68
Other	13
Total	188

Table 11 – Complaints received by topic

Market manipulation	49
Insider trading	46
Irregular performance of a market professional	22
Fraud	15
Money laundering	14
Unauthorized Operations	12
Artificial demand, supply or price conditions	11
Transfer of custody	6
Platform failures	3
Other	10
Total	188

Table 12 – Complaints received by type of denounced party

Investor	88
Participant	39
Assets	34
Independent investment agent	10
Operator	8
Listed company	4
Other	5
Total	188

Table 13 – Complaints received by type of complainant

Participant	117
Investor	57
Other	7
Operator	5
Independent investment agent	2
Total	188

Suggestion Channel

We also make available a Suggestions Channel on the website, an initiative to provide Participants, investors and other stakeholders with an effective means to share suggestions, criticisms and opportunities for improvements on all topics related to self-regulation, surveillance and inspection.

The channel aims to be a collaborative space, in which stakeholders can actively contribute to the evolution and optimization of market surveillance.

Website

 bsmsupervisao.com.br

Complaint channel

 **WhatsApp:** 55-11-5039-7521

 denuncia@bsmsupervisao.com.br

B3 social media

 [b3_oficial](https://www.instagram.com/b3_oficial)

 B3 – Brasil, Bolsa, Balcão

 [@B3_Oficial](https://twitter.com/B3_Oficial)

 B3

 [@bolsadobrasil](https://www.youtube.com/@bolsadobrasil)

Email

 bsm@bsmsupervisao.com.br

 mrp@bsmsupervisao.com.br


 denuncia@bsmsupervisao.com.br

 relacionamentobsm@bsmsupervisao.com.br

 atendimento.reguladores@bsmsupervisao.com.br

 encarregadodados@bsmsupervisao.com.br

Telephone

 +55 (11) 2565-6200

Working hours:
9:00 am to 6:00 pm, Monday to Friday

Guidance for Participants and investors

Market orientation is one of our pillars of activity. Our history demonstrates that these initiatives are excellent drivers of good practices and have a positive impact on preserving and maintaining market integrity and protecting Participants and investors. We have intensified our guidance actions through workshops, webinars, training and other forms of educational interactions aimed at our different audiences.

In 2023, we held 30 events, including webinars, workshops, in-company training, internal training and courses taught with partner entities: B3, Insper and Abrasca.

Table 14 – In-company events and training

Type of event	Number of events	Number of people impacted*
Workshops/webinars	05	1,695
In company Training	05	715
Internal training	17	1097
Insper Course	2	46
Abrasca Course	1	18

*Each person can be counted more than once if they participate in more than one event.



Workshop on BSM Audit results in 2022

In February, we held a workshop on the 2022 Audit Results and planning for 2023, which was attended by 481 professionals from 131 institutions.

We presented the results of the regular, specific and follow-up audits carried out in 2022 at the event. On this occasion, we presented five processes based on their criticality and/or the degree of maturity demonstrated by the market average:

- Internal Controls
- Information Security
- Client Registration
- Surveillance of Operations and Orders
- Anti-money laundering, combating the financing of terrorism and the financing of the proliferation of weapons of mass destruction (AML/CFT)

We also discuss Continuous Joint Indirect Data Surveillance, which will enable the evaluation of processes and controls through continuous and massive data analysis.

The video of the event and the presentations made by BSM are available on our [website](https://www.bsmsupervisao.com.br/Noticias/2023-03-01-Workshop-resultados-auditorias-e-planejamento)¹.

1 <https://www.bsmsupervisao.com.br/Noticias/2023-03-01-Workshop-resultados-auditorias-e-planejamento>

Webinar on the Basic Roadmap of the Operational Qualification Program (PQO)

In May, we held a webinar in partnership with B3 on updates to the PQO Basic Roadmap, which was attended by 457 professionals from 102 institutions.

The main improvements of the program were as follows:

- Asset Portability
- Fraud Prevention Mechanisms
- Liquidity Stress Tests
- Information Security, Monitoring and Operation of IT Infrastructure
- Change Management and Infrastructure Support, in line with BACEN/CVM regulatory updates and discussions with the market.

The video of the event and the presentations made are available on our [website](https://www.bsmsupervisao.com.br/Noticias/2023-05-16-Webinar-B3-BSM-Atualizacoes-no-Roteiro-PQO)².

2 <https://www.bsmsupervisao.com.br/Noticias/2023-05-16-Webinar-B3-BSM-Atualizacoes-no-Roteiro-PQO>

Workshop on Best Practices with Digital Influencers

In September, in partnership with B3 and Anbima, we held the workshop on best practices in relationships with Digital Influencers. In total, 139 professionals from 50 institutions participated.

The event started by addressing the hiring of influencers and the role of contracting institutions, following the BSM guidance published through [Guidance Note 20/2023](#)³.

We also covered the following topics in said action:

- Monitor the performance of contracted influencers
- Publication of ombudsman channels
- Complaint to receive information related to possible irregularities observed by investors

The video of the event and the presentations made are available on our [website](#)⁴.

³ <https://www.bsmsupervisao.com.br/assets/file/NO-BSM-20-2023-Influenciadores-Digitais.pdf>

⁴ <https://www.bsmsupervisao.com.br/Noticias/2023-09-19-Participe-do-Workshop>

Investor registration workshop

In July, we held the workshop on investor registration in partnership with CVM and B3. The event was attended by 317 professionals.

On this occasion, we equalized the market's understanding of CVM rules related to the registration of retail investors with intermediaries.

The video of the event and the presentations made are available on our [website](#)⁵.

⁵ <https://www.bsmsupervisao.com.br/Noticias/2023-07-28-Workshop-CVM-B3-e-BSM%E2%80%93Cadastro-de-Investidores>

Workshop on Indirect Continuous Joint Monitoring of Data

We held the workshop on the importance of Indirect Continuous Joint Monitoring of Data and the main updates to the BSM 2.0 Layout Manual in October. We had the participation of 301 professionals from 74 institutions.

The video of the event and the presentations made are available on our [website](#)⁶.

⁶ <https://www.bsmsupervisao.com.br/Noticias/2023-11-01-Workshop-BSM-Monitoramento-Conjunto>

5th IPLD International Congress

We participated in the 5th Congress on AML/CFT, Integrity and ESG, promoted by the Anti-Money Laundering and Combating the Financing of Terrorism Institute (IPLD), in which major market references were discussed. During the event, we discussed BSM's role, regular duties and responsibilities, principles and mission of integrity with the market and public authorities: relationships and interactions.

1st ABAI, BSM and CVM Meeting and launch of the FAQ on RCVM 178

At the invitation of the Brazilian Association of Investment Advisors, we participated in the 1st ABAI Meeting with Directors Responsible for Corporate Investment Advisors. The event took place in August, in the Ibmecc-SP auditorium.

On that occasion, we launched the first version of [RCVM 178 FAQ](#) with over 60 questions on the interpretation of relevant topics of CVM Resolution 178. This document is the result of teamwork between partner associations with market participation and aims to equalize the understanding of the standard and guide the parties involved in implementing best practices.

Table of activities performed in the Capital Market

- Seeking to clarify recurring doubts we receive about the role of participants who work in our market, we have prepared a comparative table with the characteristics and compatibility between activities.
- Securities Analyst
- Investment Advisor
- Securities Consultant
- Asset Manager



BSM Education

We believe in the value of education initiatives as a market development tool. Thinking about that, we incorporated the training of professionals to supervise the capital markets in our strategy.

BSM and Insper course

In partnership with Insper, we launched the course named “Market Surveillance and Compliance - Rules of the Brazilian Market”, which seeks to train professionals to work in capital market surveillance.

We had two classes in 2023, made up of 46 professionals, who had the opportunity to explore the following topics:

- Risk-Based Approach
- Policies and Internal Controls
- Anti-Money Laundering
- Monitoring of registration and transactions in the stock exchange and over-the-counter markets, in addition to content on Enforcement

The course, taught by experts from BSM and Insper, provides an in-depth understanding of core practices for supervisory activity in the Brazilian market.

BSM and Abrasca Course

Reinforcing our commitment to the guidance and training of professionals, we developed, in partnership with Abrasca, the course “Self-regulation and duties of administrators of publicly-held companies in the capital market”, which trained 18 professionals.

The course was divided into four modules:

- (i) Compliance of publicly-held companies
- (ii) Self-regulation
- (iii) Development of prevention policies and the search for effectiveness
- (iv) Practical workshops on cases and typicalities, strengthening professionals’ skills to face the dynamic challenges of the Brazilian capital market

In company training

These are free training sessions tailored to a specific need of a Participant.

Throughout the year, we held five rounds, in which we especially addressed topics related to Anti-Money Laundering and Combating the Financing of Terrorism, clarifying doubts and providing guidance on the steps to be taken to comply with the standards.

Internal training

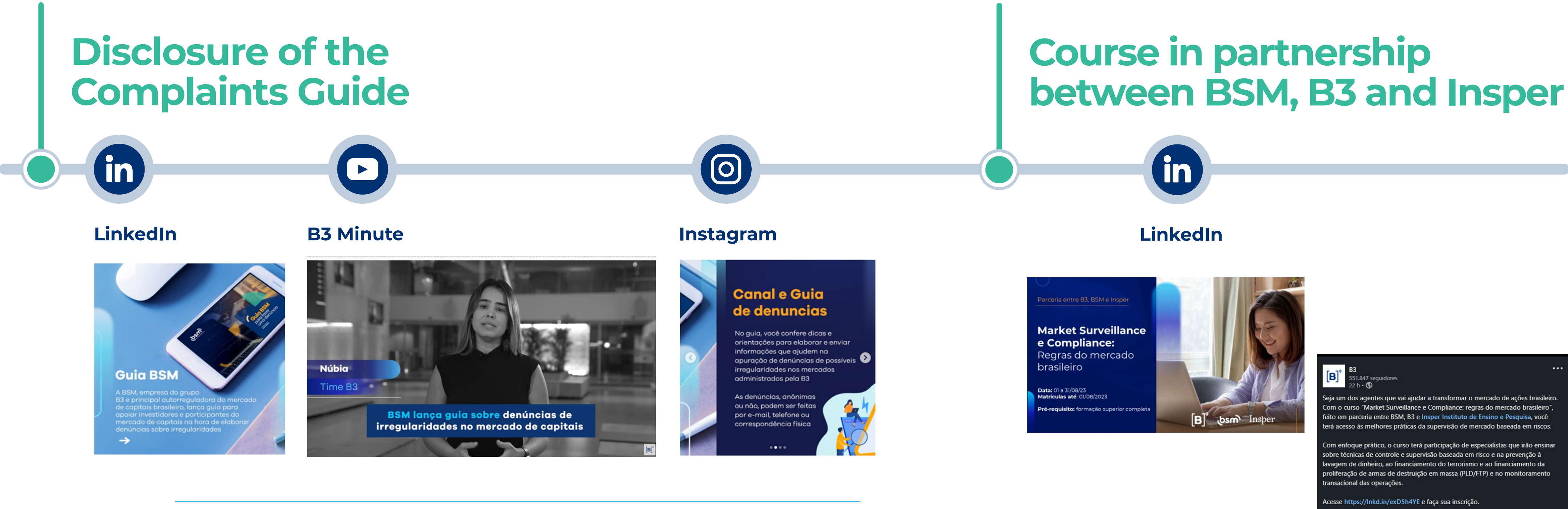
In addition to external events, we carry out several training sessions aimed at developing our employees.

- Over-the-counter market training
- Stock exchange derivatives
- Soft skills
- Self-regulation of digital assets and tokenization
- Asset securitization – CRLs and CRAs – offers, data and guarantees



BSM on social media

We relied on the reach of social media to disclose our activities and strengthen guidance actions for investors and Participants.



Investor Booklet



Instagram



[B]³ B3
535.206 seguidores
3 m •

O churning ocorre quando um operador realiza negociações excessivas para um investidor, visando apenas gerar corretagem. Ou seja, o objetivo é obter as taxas de corretagem em detrimento dos interesses do investidor.

Essa e outras informações como suitability, zeragem compulsória e gestão de portfólio você encontra na Cartilha BSM do Investidor.

Gostou? Então, clique no link <https://lnkd.in/dDaYNqkY> e baixe o material completo.

Churning



Instagram



Youtube



Interactions with the Press

As the market's main self-regulatory entity, we also provide guidelines for the press, as a way of disclosing guidance to investors and market Participants.

ECONOMIA

Valor

Aumento de limite para ressarcimento de prejuízos é importante considerando avanço do número de investidores, diz B3

O MRP assegura aos investimentos o ressarcimento de prejuízos que sejam comprovadamente causados por erros ou omissões de participantes do mercado de bolsa

Por Rita Cavado, Valor — São Paulo
30/09/2012 12h17 - Atualizado às 14h46

Aumento de limite para ressarcimento de prejuízos é importante considerando avanço do número de investidores, diz B3 — Foto: Divulgação/B3

Valor

investe

Associação lança guia de como denunciar irregularidades no mercado de capitais; saiba mais

Principal autorreguladora do mercado brasileiro publicou material com passo a passo de como aumentar a assertividade das denúncias e para auxiliar denunciante sobre o sistema, que também permite relatos anônimos

Por Valor Investe — São Paulo
19/08/2022 15h42 - Atualizado há 6 meses

A BSM, associação que atua como principal autorreguladora do mercado de capitais brasileiro, lançou nesta segunda-feira (19) um **guia de como investidores, profissionais e outros agentes podem denunciar irregularidades na área**. Seja por saber de casos dentro da empresa, na própria equipe ou como testemunha de alguma fraude no mercado, essas pessoas podem contribuir, de forma anônima ou não, com informações que ajudem a apurar ou iniciar apurações relacionadas a indícios de ilegalidades. O guia [está disponível neste link](#) no site da BSM.

exame.

'FGC da bolsa' vai aumentar cobertura em 2024 para até R\$ 200 mil; saiba como receber

Mecanismo de Ressarcimento de Prejuízos da bolsa será reajustado no próximo ano

[Publicar comentário](#)

Foto: Divulgação do B3 / FAP - não registrado em 2021 (Gê: Paga/Paga/Funç/Serviço/Singap)

Exatidão
 Publicamos em 27 de dezembro de 2023 às 12h4
 Última atualização em 27 de dezembro de 2023 às 12h4

"FGC da Bolsa" devolveu R\$ 1.7 milhão a investidores em 2022, aumento de 86% em quatro anos

Número de pedidos recebidos pelo Mecanismo de Ressarcimento de Prejuízos (MRP), por outro lado, caiu para 481 no ano passado, contra 1.164 em 2019

[Bruna Furlani](#)
23/02/2023 14h11





1 (Enciclopédia do Setor Imobiliário)

Finanças

Proteção a investidor terá limite mais alto

Juliana Schincariol
Do Rio

O instrumento que assegura aos investidores ressarcimento de prejuízos em caso de erros operacionais das corretoras terá limites mais altos a partir de janeiro de 2024. Os valores máximos para indenizações do chamado Mecanismo de Ressarcimento de Prejuízos (MRP) passarão de R\$ 120 mil para R\$ 200 mil. Desde 2008, quando o MRP foi criado, essa é a terceira revisão do instrumento.

As mudanças e atualizações ocorrem no regulamento da BSM, entidade de autorregulação da B3, e foram autorizadas pelo colegiado da Comissão de Valores Mobiliários (CVM). Juntos, BSM, B3 e CVM vinham discutindo o aumento dos limites. Em algum momento, chegou-se a cogitar que os valo-

Annexes

Composition of the Self-Regulation Board at the end of 2023¹

Aline de Menezes Santos

Carlos Cezar Menezes* (President)

Eliana Ambrósio Chimenti* (as of 12/11/2023)

Henrique de Rezende Vergara* (up to 12/10/2023)

João Vicente Soutello Camarota

José Flávio Ferreira Ramos (Vice-President)

Luciane Ribeiro * (as of 11/01/2023)

Marcos José Rodrigues Torres * (up to 10/31/2023)

Marcus de Freitas Henriques*

Murilo Robotton Filho*

Sergio Odilon dos Anjos*

¹ Summarized biographies of the advisors are available on our website <https://www.bsmsupervisao.com.br/quem-somos>

* Independent Board Members.



General Management

André Eduardo Demarco

Leadership

César Henrique de Mendonça,
Glauber Facao Acquati,
Marcelo Rodrigues dos Santos,
Priscila Copi, Fátima Guerra.

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Aryel Alice Zapparoli, Claudia Miranda Godio
and Ronaldo Castanha

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Cássio Teixeira, Patricia Nagami and
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