

Catalog of Supervisory Standards

BSM MARKET SUPERVISION

V. 1.14

from Ouctuber 01, 2026

What are Supervisory Standards?

Supervisory Standards are the set of rules issued by BSM, under its Bylaws, which complement the provisions of the current regulatory standards that BSM is responsible for supervising, with the aim of clarifying the due diligence and minimum procedures and controls that must be adopted and maintained by Participants to comply with obligations required by the regulatory standards, in addition to defining the form of supervision by BSM on the subject.

This document seeks to present, in a compiled form, the current Supervisory Standards, aiming to facilitate consultation by Participants and other interested parties.

Definitions

For the purposes of this document, terms beginning with a capital letter have the same meaning attributed to them in the BSM Glossary, available in Portuguese on the BSM website through this link, or in the Supervisory Standard itself.

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RLP

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Introduction

The Supervisory Standard aims to inform Participants of the terms of their supervision over Retail Liquidity Provider (RLP) offerings, exclusively in the retail segment, in order to comply with CVM guidelines and current standards issued by B3.

Publication History of Standards on the Topic

External Communication	Publication date	Status
BSM-10/2022	May 9, 2022	Current
DAR-04/2019	November 18, 2021	Revoked

BSM's Supervisory Standard on Offers Retail Liquidity Provider (RLP) – Retail Segment

(Published through External Communication BSM-10/2022)

BSM, in the exercise of its functions, issues this supervisory standard ("Supervisory Standard") with the objective of informing Participants of the terms of its supervision over Retail Liquidity Provider ("RLP") offers, exclusively in the retail segment, in order to comply with CVM guidelines and current rules issued by B3.

Defined terms are in accordance with the BSM Glossary[1] or are defined in this Supervisory Standard.

This Supervisory Standard revokes BSM External Communication No. 004/2019-DAR-BSM ("BSM External Communication 4/2019"), published on November 26, 2019, by B3 through External Communication 006/2019-PRE, as it expands the supervision currently conducted by BSM, observing the responsibilities of Participants in fulfilling the following duties:

a) Transparency;

b) Opt-In/Opt-Out;

c) Suitability;

d) Publications/Indicators;

e) Operations with signs of irregularities;

f) RLP Offer Limit Monitoring;

g) Leverage control;

h) Monitoring by Indicators, Educational Support and Limited Offers;

[1] Available at: https://www.bsmsupervisao.com.br/assets/file/BSM-glossario-das-normas-da-autorregulacao_Fev-22_sem_marcas2.2.pdf.

i) Compulsory Liquidation;

j) Maintenance of files and information;

k) Enforcement; and

l) Training.

a) Transparency

1.1. Duties:

1.1.1. The Participant's Operating Rules and Parameters ("RPA") or Operating Standards and Parameters ("NPA"), or other equivalent document, must contain, at a minimum, the operating characteristics of the RLP offer, indicating the particularities of the product, and the indication of the markets served, whether the futures market with mini index (WIN) and dollar (WDO) contracts and/or the stock market.

1.1.2. The Participant must update the rules and information contained in the RPA/NPA, or equivalent document, and forward it to its clients, B3 and BSM, so that they are aware of the changes made to the respective document, including information regarding brokerage and fees involved in RLP offers.

1.2. Supervision:

1.2.1. BSM will verify, in an audit, upon submission of documentation by the Participant, compliance with this requirement by analyzing the content of the latest version of the RPA/NPA, or equivalent document of the Participant, as well as verifying the notifications that the Participant sent to its clients since January 31, /2022 regarding updates made to the RPA/NPA, or equivalent document.

b) Opt-In/Opt-Out

2.1. Duties:

2.1.1. When offering the RLP offer to clients, the Participant must obtain the client's express consent to their authorization to use the RLP (“opt-in”) and to discontinue it (“opt-out”), both for the stock market and the stock market.

2.1.2. The Participant must indicate to clients on its website and in its RPA/NPA, or equivalent document, that authorization for the use of RLP offers may be granted independently for the derivatives market and the stock market, or in a generic manner, with the client being able to use RLP offers in one or both markets. The Participant page containing the opt-in mechanism must have a link to the B3 website.

2.1.3. Compulsory default opt-in is not permitted. Information on the client's express consent to opt-in and opt-out must be stored for a period of at least 5 (five) years. The maximum period for RLP offers to remain in operation (opt-in) or for the discontinuation of use of RLP offers in the client's account (opt-out) must begin at the beginning of the trading session following the trading session in which the client expressed their desire to opt in or discontinue use of RLP offers.

2.2. Supervision:

2.2.1. BSM will verify, through log files or other evidence containing the layout and minimum information provided for in Annex I of this Supervisory Standard:

(a) if there were transactions via the RLP offer on behalf of clients prior to express authorization through opt-in; and

(b) whether there were transactions via the RLP offer on behalf of clients after discontinuation through opt-out.

2.2.2. BSM will verify the information regarding the Participant's opt-in and opt-out by analyzing its website and the RPA/NPA, or equivalent document, which must contain the information in item 2.1.2.

c) Suitability

3.1. Duties:

3.1.1. When offering RLP offers, through any communication channels, the Participant must always consider the suitability of the assets traded via RLP offer to the client's current investment profile (suitability).

3.1.2. The Participant or its representatives are not permitted to induce clients to change their investment profiles (suitability) in order to operate with RLP offers.

3.2. Supervision:

3.2.1. BSM will verify whether clients who carried out transactions via RLP offers already had the appropriate suitability profile for the product traded at the time of the transactions, or, in the event of profile inadequacy, whether an alert was sent by the Participant and whether an express declaration was obtained from the client acknowledging the inadequacy of the suitability profile in relation to the offer, in accordance with article 7 of CVM Resolution No. 30/2021[2].

3.2.2. It will also analyze possible product offers for clients who have recently changed their suitability profile and carried out transactions via RLP offers, in addition to the

[2] Article. 7. When the client orders transactions to be carried out in the situations provided for in items I to III of art. 6, the persons referred to in art. 2 must, before the first transaction with the security category: I – alert the client about the absence or outdated profile or its inadequacy, indicating the causes of the discrepancy; and II – obtain an express statement from the client that he is aware of the absence, outdated or inadequacy of the profile.

conditions for changing the profile and the characteristics of the transactions subsequently carried out.

d) Publications/Indicators

4.1. Duties:

4.1.1. The Participant must publish the following information monthly on its website, with a link to the B3 website:

(i) volume traded by the intermediary using the RLP offer;

(ii) products in relation to which the Participant allows the RLP offer, whether trading against its own portfolio or by selling flow;

(iii) percentage of clients served by the RLP offer;

(iv) number of clients who had some kind of benefit with the RLP offer (price or quantity improvement);

(v) number of contracts and retail client offers executed against the RLP offer;

(vi) number of improved offers; and

(vii) number of improved contracts.

4.1.2. The Participant must publish the information listed above by the 10th business day following the month in which the RLP offers are used by the Participants and keep them on their website for at least 6 (six) months.

4.1.3. The Participant must disclose, in addition to the information above, the charging criteria for clients who choose to trade against RLP offers, informing the costs related to brokerage and fees involved in RLP offers, as well as the costs related to the

compulsory liquidation carried out by the Participant of transactions originally initiated by RLP offer.

4.2. Supervision:

4.2.1. BSM will audit the disclosure of the above-required information on the Participant's website. If the website used by the Participant is closed, or in any way inaccessible to the public, the Participant must forward the above-mentioned information to BSM upon request.

e) Operations with signs of irregularities

5.1. Duties:

5.1.1. Participants must not execute transactions with the intention of artificially inflating the total traded volume of products covered by RLP offers, aiming to increase the authorized quantity of the asset to be traded via RLP offers.

5.2. Supervision:

5.2.1. BSM will continuously monitor RLP offerings to identify the practice of artificially inflating the total trading volume of products served via RLP offerings, aiming to increase the authorized quantity of the asset to be traded via RLP offerings.

5.2.2. In order to complement the monitoring, BSM may request information and supporting documents from Participants, which must be delivered within the requested period, to assess the following requirements:

(i) identification of the counterparties to the Participants' RLP offering;

(ii) client orders; and

(iii) sample of clients using the RLP offer at Participants.

f) RLP Offer Limit Monitoring

6.1. Duties:

6.1.1. The Participant must observe, through the daily publication on the B3 website, the use of their monthly limit, both in terms of the number of securities and the total value (R$), traded via RLP offers.

6.1.2. In this sense, it is the Participant's obligation not to exceed this monthly limit and, in the event of exceeding this limit, the amount must be compensated in the following 2 (two) months, until the excess is compensated.

6.2. Supervision:

6.2.1. Supervision of compliance with RLP offering limits by Participants is applied in two layers, one of which is the responsibility of B3 and the other of BSM, in a complementary manner.

6.2.2. BSM will monitor cases of exceeding the limit on the number of securities traded via RLP offers, per Participant, with the expectation that cases of monthly exceedance will be compensated within 2 (two) months from the month of exceedance, and it is essential that the beginning of the compensation takes place in the month following the exceedance.

g) Leverage control

7.1. Duties:

7.1.1. According to Circular Letter 003/2022-VPC from B3 (“Letter 3/2022”), the Participant is required to control the leverage of clients who are going to make RLP offers with Ibovespa mini-contract (WIN) and commercial dollar mini-contract (WDO).

7.1.2. Therefore, it is the Participant's duty to only open a position on behalf of the client via RLP in WIN and WDO assets, when there is a value equivalent to the minimum margin value per contract available in the client's account required for these assets, in accordance with B3 rules.

7.1.3. Participants must inform, on their website, the minimum margin required per mini-contract, and the availability of this information and the date from which the information is available on the Participant's website will be verified by BSM.

7.1.4. The Participant must store evidence regarding changes to the minimum margin required that contain, at a minimum, details about the date of the change, client account, product (contract and maturity) and amounts, and in the event of a change in the minimum margin, the replaced information must be stored for a period of at least 5 (five) years.

7.2. Supervision:

7.2.1. The supervision of the Participants' leverage control, respecting the minimum margins, will be applied in two layers, one of which is the responsibility of B3 and the other of BSM, in a complementary manner.

7.2.2. In cases of non-compliance assessed by B3, BSM must conduct an audit of the Participant, upon request, to verify whether the adaptation requirements have been met. After BSM's assessment, B3 may rehabilitate the Participant to use the RLP offering.

7.2.3. In addition, BSM will supervise, regarding leverage control:

(i) the provision of information on the minimum margin required by the negotiated WIN and WDO contract, on the Participant's website, including the date it was made available to clients, update history, if any, and the storage of this information for the minimum period; and

(ii) respect for the minimum margins stipulated by B3, via a sample of Participants to be taken at any time, and in cases of non-compliance or atypicality, measures may be adopted by BSM.

h) Monitoring by Indicators, Educational Support and Limited Offers

8.1.1. According to External Communication 3/2022, the Participant that makes RLP offers available to its clients must:

(i) offer educational support to clients, via content approved by B3;

(ii) make limited-type offers available to all platforms where RLP offers can be traded;

(iii) forward notices to its clients in certain circumstances, namely:

(a) The first time the client suffers losses of 10% and 25% of their assets, the Participant must send a notification encouraging the use of the stop-loss methodology;

(b) in the first 30 days of operations, the Participant must submit educational content approved by B3; and

(c) at the times when the first and fifth compulsory settlements are carried out by the Participant on behalf of the customer, the Participant must forward a suggestion for taking the free courses on the client's educational journey.

(iv) monitor your clients' indicators.

8.2. Supervision:

8.2.1. Oversight based on RLP indicators will also be implemented in two layers: one under the responsibility of B3 and the other under the responsibility of BSM. B3 will forward cases where there are signs of non-compliance with obligations to BSM, which will analyze the situation and act accordingly.

8.2.2. BSM supervision will be carried out based on the data and justifications provided by the Participants, as well as using information collected by BSM.

8.2.3. Regarding oversight of educational support and limited offerings, BSM will evaluate:

(i) the provision to the client of a trading alternative with a limit order in RLP offers, in all forms of access used by the retail segment;

(ii) the provision of informative content approved by B3 on the Participant's website;

(iii) evidence of providing educational journeys to clients, on the Participant's free platform; and

(iv) the procedures and evidence for sending informative content and alerts to investors in accordance with the triggers defined for each type of monitoring, stipulated in Official Letter 3/2022.

i) Compulsory Liquidation

9.1. Duties:

9.1.1. It is the Participant's duty, when carrying out compulsory liquidation procedures in open positions via RLP offers, to follow the terms stipulated by B3 in current regulations.

9.1.2. Furthermore, the Participant must use the appropriate sender location when carrying out the compulsory settlement, which begins with the letters “ZER”, and must be consulted in the table available in the B3 Operational Procedures Manual.

9.1.3. In this specific item, the Participant must also pay attention to the provisions of Supervisory Standard 7/2022 on compulsory liquidation procedures published by BSM.

9.2. Supervision:

9.2.1. BSM will assess Participants' compliance with their duties through log analysis of the following items:

(i) in operations opened on the same day, if the balance in the client's account, when the position was opened, met the minimum margin required in accordance with B3 regulations;

(ii) whether the compulsory liquidation occurred under the terms stipulated by B3 in current regulations; and

(iii) whether the Participant used the correct sender location.

j) Maintenance of files and information

10.1. Duties:

10.1.1. Participants must maintain the documents, logs, information, and records mentioned in this Supervisory Standard for the period specified in the current regulations. The documents and obligations identified in the applicable regulations and in this Supervisory Standard will be required of Participants by BSM during audits, as well as when investigating complaints, identified irregularities, and/or Requests to the Loss Compensation Mechanism (“MRP”).

10.2. Supervision:

10.2.1. BSM will verify the storage of files and information for the period indicated in the current regulations.

10.2.2. Failure to send information requested by BSM will be considered a breach of the duty to keep files and information and to comply with BSM's request.

k) Enforcement

Regarding the application of sanctions, the process of monitoring the obligations required of Participants will be applied in two layers, one of which is the responsibility of B3 and the other of BSM, in a complementary manner.

In addition to the enforcement carried out by BSM described in this Supervisory Standard, B3 must formally notify BSM of the relevant cases, so that BSM will verify the evidence and justifications presented by the Participants, noting that:

(i) if the justifications are adequate in the BSM assessment, the analysis may be closed;

(ii) if the justifications are not adequate in BSM's assessment, BSM may take additional steps to obtain additional information and adopt the appropriate Enforcement measures, as set out in BSM's Procedural Regulations; and

(iii) the lack of response by the Participant may be considered by BSM as a probable irregularity.

Finally, it should be noted that the duties indicated in the applicable regulations and in this Supervisory Standard, if not met adequately and in a timely manner by the Participants, will be considered as aggravating factors for the application of Enforcement measures and sanctioning actions established in the BSM Procedural Regulations.

l) Training

BSM is available to the market to provide courses that are necessary and demanded by institutions and highlights to Participants that, to better comply with current regulations and this Supervisory Standard, training must be provided to the departments involved, notably risk areas, operations, investor service and ombudsman.

ANNEX I

Offers opt-in and opt-out log file layout

Fields must be separated by semicolons (;), with the nomenclature described in the table below, in text file format:

#	Field	Description	Format
1	ClientId	Client code identification	Number
2	AccountId	Client account identification	Text
3	EventType	type of event, completion of a membership (opt-in) or discontinuation (opt-out) of the RLP offer	Text (“in” / “out”)
4	OptType[1]	BM&F segment type (derivatives) or Bovespa (equities)	Text (“*derivatives*”/“*equities*”)
5	EventTime	timestamp of the moment the client subscribed to or discontinued the RLP offer	yyyy-mm-dd hh:mm:ss
6	ProcessTime[2]	timestamp of the moment the client's request was processed in the Participant's OMS	yyyy-mm-dd hh:mm:ss
7	EventOrderId[3]	identification of the person responsible for subscribing to or discontinuing the RLP offer	Text

Details:

[1] This item is mandatory only in the case of specific adhesion (opt-in) and discontinuation (opt-out) for each segment. This item is not mandatory if the Participant uses generic adhesion (opt-in) and discontinuation (opt-out), that is, if it applies to both the BM&F (derivatives) and Bovespa (equities) segments.

[2] If the opt-in or opt-out are processed later in the Participant's order management system, whether through a daily routine or manually for example, the database must include field 6 (“ProcessTime”) containing the timestamp at which the client's request was processed internally.

[3] If the Participant has alternative flows through service channels (e.g. chat, telephone, email) to opt-in or opt-out, the database must include field 7 (“EventOrderId”) containing the person responsible

for the adhesion or discontinuation on behalf of the client or the identification of the client in the case of electronic adhesion.

Economic and Financial Requirements for Access to B3 Markets

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Introduction

The Supervisory Standard addresses the procedures for analyzing the economic and financial requirements required by B3 for granting and maintaining authorization for the right of access or for approval and maintenance of registration, and the respective submission of the required documentation, in accordance with the B3 Access Regulations and Access Manual. The standard also addresses the measures that may be adopted by BSM in the event of failure to submit the required documentation, as well as failure of the Participant to comply with the economic and financial requirements.

Publication History of Standards on the Topic

External Communication	Data de publicação	Status
BSM-12/2022	May 9, 2022	Current
BSM-02/2017	April 5, 2017	Revoked

Supervisory Standard regarding Economic and Financial Requirements for Access to B3 Markets

(Published through External Communication BSM-12/2022)

BSM Market Supervision ("BSM"), in the exercise of its functions, issues this supervisory standard ("Supervisory Standard") to address the procedures for analyzing the economic and financial requirements required by B3 for granting and maintaining authorization for the right of access or for approval and maintenance of registration, and the respective submission of the required documentation, pursuant to the B3 Access Regulation and Access Manual. It should be noted that this Supervisory Standard complements the provisions of the current regulations.

Defined terms are in accordance with the BSM Glossary[3] or are defined in this Supervisory Standard.

This Supervisory Standard will address the duties of Participants in submitting the documentation required by the B3 Access Manual to BSM and the measures that may be adopted by BSM in the event of failure to submit the required documentation, as well as failure to comply with the economic and financial requirements by the Participant.

SM's role in analyzing whether Participants meet their economic and financial requirements is without prejudice to B3's role[4].

This Supervisory Standard will be divided into four sessions: (1) Submission of documentation to BSM; (2) Failure to submit documentation to BSM; (3) Failure to comply with economic and financial requirements; and (4) Training.

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[3]Available at: https://www.bsmsupervisao.com.br/assets/file/BSM-glossario-das-normas-da-autorregulacao_Fev-22_sem_marcas2.2.pdf.

[4] Under the terms of article 24 of the B3 Access Manual: "Without prejudice to BSM's competence to investigate and punish violations of the provisions of this regulation, the rules that complement it or the applicable legislation and regulations, B3 will be responsible, in compliance with the provisions of the B3 Acess Manual: (...).

1. Submission of documentation to BSM

1.1. According to the B3 Access Manual, the Full Trading Participant, the Trading Participant, the Clearing Member, the Settlement Participant, the Custody Agent, the Registration Participant ("Authorized Participants"), the Agribusiness Depositary, the Gold Depositary, the Gold Refiners and the Guarantee Issuing Bank ("Registered Participants" and together with the Authorized Participants, "Participants"), have economic and financial requirements defined by B3 for granting and maintaining access authorization or for approval and maintenance of registration, as the case may be.

1.2. Under the B3 Access Manual, BSM is responsible for verifying compliance with these requirements. Therefore, Participants, depending on their authorization or registration category with B3, must send copies of their relevant documents to BSM via email at auditoria@bsmsupervisao.com.br, so that BSM can verify their eligibility.

1.3. The deadline for submitting documents and the model of the document to be delivered to BSM is regulated in the B3 Access Manual, varying according to the category of each Participant.

2. Failure to submit documentation to BSM within the established deadline

2.1. If the Participant fails to submit to BSM, within the deadline specified in the B3 Access Manual, the documents related to its category, BSM will send a notification by email to the director appointed to represent the Participant before B3, requesting clarification for the non-compliance with the obligation and reiterating the obligation to submit the documentation within a maximum period of two business days.

2.2. In the event of systemic problems, technical failures or other situations described by the Participant when presenting their justification, BSM may, at its discretion, extend the deadline for submitting the required documentation.

2.3. If, despite the reiteration made by email, under the terms mentioned above, the Participant does not submit the required documentation within the new deadline provided, BSM will send a Recommendation Letter to the Participant and, if delivery still does not occur, a Warning Letter will be sent to the Participant, in accordance with the BSM Procedural Regulations, in which the cessation of the irregular practice of delay will be determined, with immediate submission of the documentation, within a period of no more than one business day.

2.4. The Participant fails to comply with the determination contained in the Warning Letter, BSM will adopt the necessary additional measures so that the Participant complies with its obligation, in accordance with its Procedural Regulations[5].

2.5. If the Participant submits the required documentation late, but before sending the notification by email, the Participant may be subject to guidance measures by BSM, with the sending of a Letter of Recommendation, in accordance with its Procedural Regulations, which will recommend that the Participant evaluate the existence of any failures in its procedures and internal controls, which may have led to the delay in sending the documentation and present a remedial action plan to regularize the problem with the Audit Superintendence.

5 Article 8 of the BSM Procedural Regulations. Available at: https://www.bsmsupervisao.com.br/legislacao-e-regulamentacao/leis-normas-e-regras

2.6. If BSM needs to apply, within a period of one year, three guidance measures to the same Participant, due to the untimely submission of the documentation required by the B3 Access Manual to BSM, the Participant will be subject to additional Enforcement measures, as applicable, including the initiation of Administrative Disciplinary Proceedings, if necessary.

3. Failure to comply with economic and financial requirements

3.1. BSM will analyze the documents submitted by Participants and verify that their economic and financial requirements comply with the requirements defined in the B3 Access Manual.

3.2. The capital requirements for each requirement are not cumulative and the analysis of compliance with economic and financial requirements is carried out on an individual basis.

3.3. If it is found that the Participant does not meet the requirements for its category, as per the B3 Access Manual, BSM will send the Participant, on behalf of the responsible Director, a Warning Letter determining (i) the adoption of adaptation measures that must be formally reported to BSM within five days of receipt of the Warning Letter, and the effectiveness of the measures will be verified according to the report presented in the Warning Letter

3.4. The Participant does not respond to BSM or fails to comply with the economic and financial requirements established in the B3 Access Manual, BSM will immediately

initiate a summary Administrative Disciplinary Proceeding, in accordance with its Procedural Regulations[6].

4. Training

4.1. BSM is available to the market to carry out courses that are necessary and demanded by institutions and highlights to Participants that, for better compliance with current regulations and this Supervisory Standard, training must be provided to the departments involved, such as Finance, Administrative, Custody, Compliance, among others.

[6] Article 25 of the BSM Procedural Regulation: "The Self-Regulation Director may initiate and judge administrative proceedings involving objective infractions in the following cases: I – non-compliance of the Participant with the financial requirements set out in the rules for access to the markets managed by B3 (...)".

Available at: https://www.bsmsupervisao.com.br/legislacao-e-regulamentacao/leis-normas-e-regras

Electronic Counterparty Search Systems

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Introduction

The Supervisory Standard addresses the supervisory procedures for electronic counterparty search systems to be offered by B3 Participants, pursuant to Circular Letter No. 8/2020-CVM/SMI ("Circular Letter"), which assigned the self-regulatory entity the oversight and issuance of standards and guidelines supplementing the requirements contained in the Circular Letter. Furthermore, this Supervisory Standard addresses the Participants' duties and the oversight that will be carried out by BSM in relation to the electronic counterparty search systems offered by the Participants.

Publication History of Standards on the Topic

External Communication	Publication date	Status
DAR-BSM-11/2022	May 9, 2022	Revoked
CE-BSM-01/2023	January 13, 2023	Current

Electronic Counterparty Search Systems

(Published through External Communication BSM-01/2023)

I. Characteristics required for electronic counterparty search systems offered by Participants

1.1. Duties:

1.1.1. Participants must prepare and publish on their respective websites, in a non-logged-in area, and may also forward directly to their clients, an operating manual and written rules on the operation and use of the electronic counterparty search system offered, with the corresponding period of validity, including the target audience of their clients, the minimum amount of purchase and sale intention and the assets that will be accepted by the system, and the direct offer in the Participants' system, when forwarded to B3, must comply with B3's current direct offer rules.

1.1.2. The written rules mentioned in the item above (1.1.1.) must include, at a minimum, the information contained in items 1.1.3., 1.1.4., 1.1.5., 1.1.6., 1.1.7., 1.1.8. and 1.1.9. of this section.

1.1.3. The purchase and sale intentions that may be accepted by the Participants' electronic counterparty search system must necessarily involve: (i) intentions with a size equal to or greater than the minimum quantity of the direct offer established in the B3 rules; and (ii) intentions that cannot be immediately met in the B3 Central Order Book, due to the price and/or quantity, at the time of sending the direct offer to the B3 trading system.

1.1.4. The rules established by the Participants must indicate how active intentions will be handled in the system, verifying the price conditions defined in the intention and the existence of offers in the B3 Central Order Book. The system offered by the Participants must record the submission of the direct offer under items 1.1.9. (iii) and (iv), fulfilling its duty of best execution for clients, in comparison with the offers present in the B3 Central Order Book at the time of submission of the direct offer to the B3 trading system.

1.1.5. With regard to the previous items (1.1.3 and 1.1.4), it is the responsibility of the Participants, when registering the characteristics of the clients' intention, to validate the conditions of the B3 Central Order Book at the time of sending the direct offer to the B3 trading system, the evidence of which must be sent monthly by the Participants to the BSM, according to the structure described in Annex I of this Supervisory Standard.

1.1.6. The use of an electronic counterparty search system should only be justified in cases where the Participants' clients expressly intend to search for counterparties. Client intentions must be handled specifically for each intention, regardless of how the Participant's clients access the electronic counterparty search system.

1.1.7. Use of the electronic counterparty search system must be restricted to clients previously registered with the Participants. Records of intentions must contain the following information: (i) account identification code; (ii) date and time of registration of the intention; (iii) validity period of the intention; (iv) sequential and chronological number of the intention; (v) trading code of the asset; (vi) quantity; (vii) minimum quantity for executing the counterparty search; (viii) limit price for the purchase and sale intention, where applicable; (ix) nature of the intention (purchase and sale); and (x) if applicable, identification of the issuer of the intention.

1.1.8. Participants must use a specific means of execution (sender location) for automated rights, with the prefix “MDA”, as per B3 External Communication No. 017/2022-VNC, dated January 3, 2022.

1.1.9. Participants must establish, in the rules of their electronic counterparty search system, the following information, treatments and parameters:

(i) treatment given in the case of meeting clients' intentions by the intermediary itself or People linked to it, such as, for example, proprietary account, own portfolio, subsidiary company or company belonging to the same economic or financial group, offshore account, etc.;

(ii) treatment given to the use of a master account, which must respect the minimum quantity for direct offering;

(iii) treatment given to the meeting of intentions of counterparties entered in the electronic counterparty search system when there is a “closed spread” of the security in the B3 Central Offer Book – in this case, the business must be divided into two equal offers to be registered at the prices of the best purchase and sale offer, therefore, always better than the Central Offer Book present in B3, respecting the minimum size of the direct offer defined in the B3 rules;

(iv) treatment given to the matching of counterparty intentions entered in the electronic counterparty search system when there is an “open spread” of the security in the B3 Central Order Book – in this case, following guidance from the CVM, in this initial phase of implementation of the electronic counterparty search systems, the direct offer may be registered in one or more offers at the average price of the spread between the best purchase and sale offer, therefore, always better than

the Central Order Book present in B3, respecting the minimum size of the direct offer defined in the B3 rules and provided that the conditions established in the respective purchase or sale intentions that gave rise to the matching of counterparty intentions are respected;

(v) treatment given to situations involving quantities that are not multiples of the standard lot of the security at B3;

(vi) treatment given for the definition of prices in the electronic counterparty search system based on the reading of the B3 market data signal, informing the treatment to be given in the event of any discrepancies between the meeting of intentions of counterparties entered in the electronic counterparty search system and any change in the price of the security in the B3 Central Offer Book, at the time of registration of the direct offer on the B3 trading platform;

(vii) treatment given to the cancellation and changes of intentions previously sent to the electronic counterparty search system;

(viii) treatment given in case of failures, instability or unavailability of the electronic counterparty search system, informing clients how their intentions will be met in these situations;

(ix) description of the information on intentions that will be available for viewing by clients in the electronic counterparty search system;

(x) information on how clients will access the information displayed in the electronic counterparty search system;

(xi) information on the possibility of the trading desk entering clients' purchase and sale intentions, or whether the electronic counterparty search system will be exclusively accessible to clients;

(xii) information about clients who will be able to access the electronic counterparty search system;

(xiii) information on the securities that will be accepted in the electronic counterparty search system;

(xiv) period of operation of the electronic counterparty search system, indicating whether it will be active throughout the trading session or whether there will be intermediate liquidity windows;

(xv) treatment that will be given by the electronic counterparty search system when the security subject to the intention is in auction or in the price formation phase at B3, and how clients will be notified about this situation;

(xvi) treatment by Participants if the meeting of counterparty intentions in the electronic counterparty search system is the first of the trading day for that security; and

(xvii) treatment given by the electronic counterparty search system if the direct offer, which originates from the meeting of intentions of counterparties, is rejected by B3, in accordance with current regulations, and how clients will be notified about this situation.

1.1.10. Participants must include provisions in their Operating Rules and Parameters ("RPA") or in their Operating Standards and Parameters ("NPA"), or equivalent document, and adapt internal procedures and controls to deal with any conflicts of interest arising from the administration of the system, in accordance with CVM Resolution No. 35/2021 ("RCVM 35"), especially when related People or the Participants' own portfolio are involved in direct offers.

1.1.11. Participants, whenever they change and update the rules and information contained in the RPA/NPA, or equivalent document, and the manual of the electronic counterparty search system, must disclose this on their respective websites and must

forward it to their clients and BSM, indicating the changes made to the respective documents.

1.2. BSM's Approach:

1.2.1. Participants must forward to BSM, through the official tool used by BSM, before starting operations and offering to their clients and any changes they may make, the operating manual for the electronic counterparty search system and the RPA/NPA, or equivalent document, containing information about the electronic counterparty search system and the rules for treating a related person or own portfolio acting as a counterparty for direct transactions.

1.2.2. BSM will verify whether the documents mentioned in the above item comply with the rules described in this Supervisory Standard. This verification will not constitute approval by BSM of the electronic counterparty search system offered by the Participants.

1.2.3. BSM will verify, in an audit process, the notifications sent by Participants to their clients regarding updates and changes made to the RPA/NPA, or equivalent document, and the operating manual of the electronic counterparty search system.

II. Not allowed situations

2.1. Duties:

2.1.1. The electronic counterparty search system managed by Participants must not allow competitive interaction between client intentions. This situation is only permitted for the trading systems of entities managing organized stock exchange or over-the-counter markets, as regulated and authorized by the CVM.

2.1.2. Clients of Participants that have entered intentions into the electronic counterparty search system, or Participants themselves with the intention of assisting their clients, are not permitted to change prices in the B3 Central Order Book to allow an intention registered in the electronic counterparty search system to find its counterparty and the direct offer to be registered on the B3 trading platform..

2.1.3. Participants are also not permitted to prioritize their own interests or those of People linked to them to the detriment of the interests of clients who have entered intentions into the electronic system for searching for direct transaction counterparties, in breach of the duties of good faith, diligence and loyalty provided for in RCVM 35, as amended by RCVM 134.

2.1.4. Participants must implement control mechanisms to prevent the occurrence of the impermissible situations described in items 2.1.1. to 2.1.3. of this section, creating rules, procedures and internal controls that can prevent the interests of clients from being harmed due to conflicts of interest in the intentions and business that are associated with the electronic counterparty search system.

2.2. BSM's Approach:

2.2.1. BSM will verify the Participants' controls in relation to the situations described in this section and will monitor the business and activities of clients that are in the electronic counterparty search system and operating directly in the markets managed by B3, in order to verify possible irregularities or non-compliance with the established rules.

2.2.2. BSM will also evaluate the Participants' rules on conflict of interest that are set out in the RPA/NPA, equivalent document, or, eventually, in the manual of the electronic counterparty search system offered.

III. Other Requirements for Participants

3.1. Duties:

3.1.1. The Participants' electronic counterparty search system must function to fulfill each client's intention, ensuring that each counterparty request is handled individually and that, if fulfilled, all other client purchase or sale intentions for the same transaction are discarded. Intentions, however, may be stored systemically, but they should not be considered active or the first purchase or sale intention received. Therefore, new client intentions should not be processed without fully processing the previous intention.

3.1.2. Therefore, the Participants' electronic counterparty search system can only fulfill one purchase or sale intent request per asset at a time. Once the first intent request has been fulfilled, all electronic counterparty searches made for this first request must be discarded to begin processing other requests, which may be stored in the Participants' system while the first request is being processed.

3.1.3. In the Participants' electronic counterparty search system, responses to intentions to search for counterparties must not have a defined price, but rather indicate mere acceptance of the proposed condition of the intention that requested the counterparty search, as it is a system that does not form a price and derives it from the B3 Central Order Book at the mid-point spread, at the time of sending the direct offer to the B3 trading platform..

3.1.4. The execution responses for purchase and sale intentions, after sending a direct offer to the B3 trading platform and registering the transaction, must contain an indication of the execution conditions for price and quantity.

3.1.5. By the 15th day of each month, Participants must submit to BSM, using an official tool used by BSM, a system activity report in Excel format (or similar files derived from Excel, such as xls, xlsx, xlsm, xlsb, etc.), containing data that presents summarized system statistics and analytical information that presents information on events that occurred in the system, indicating the days to which they refer. The information to be submitted by Participants to BSM is described in Annex II of this Supervisory Standard.

3.1.6. Participants must maintain the documents, logs, information, and records mentioned in this Supervisory Standard for the period specified in the current regulations. The documents and obligations identified in the applicable regulations and in this Supervisory Standard will be required of Participants by BSM during audits, as well as when investigating complaints, identified irregularities, and/or Loss Compensation Mechanism Requests.

3.1.7. Participants must observe other regulations and rules published by B3.

3.2. BSM's Approach:

3.2.1. BSM will verify the storage of files and information for the period indicated in the current regulations.

3.2.2. Failure to send information requested by BSM will be considered a breach of duty by the Participants, and BSM may apply measures established in its Procedural Regulations.

IV. Enforcement

4.1.1. The duties indicated in the applicable regulations and in this Supervisory Standard, if not met adequately and in a timely manner by the Participants, may be considered as aggravating factors for future Enforcement measures.

V. Training

5.1.1. BSM is available to the market to provide courses that are necessary and demanded by institutions and highlights to Participants that, in order to better comply with current regulations and this Supervisory Standard, training must be provided to the departments involved, such as Operations, Products, Relationship, Compliance, among others.

Anexx I

Item	Category	Description	Format
1.2.4	**Issuer**	User	Text
	Account	Account number	Text
	Intention	Segment	Text ("Equities"/"Derivatives")
		Instrument	Text
		Nature	Text ("C"/"V")
		Amount	Number
		Minimum quantity	Number
		Session	Text
		Price limit	Number
		Expiration date	yyyy-mm-dd hh:mm:ss,sss
		Status	Text ("Inserted"/"Changed"/"Cancelled"/"Executed"/"Partial Execution"/"Rejected"/“Paused”/“Reactivated”)
		Reason for rejection (if applicable)	Text
		Intent ID	Intent identifier (If there is a change in characteristics, keep the same ID for tracking)
		Timestamp 1: Record of client intent; or change	yyyy-mm-dd hh:mm:ss,sss to change the Status, this field must represent the moment in which the change was made
	Order	*Timestamp 2:* moment the order is sent to B3;	yyyy-mm-dd hh:mm:ss,sss
		Market condition fulfillment indicator (S: order fulfilled in the B3 trading system, N: not fulfilled);	Text ("S"/"N")
	Market data	Market data information (top of book) when order is submitted: bid 1, size 1 ask 1, size 1 spread 1	Number
		Timestamp 3: moment of receipt of market data when sending the order	yyyy-mm-dd hh:mm:ss,sss
		Timestamp 4: moment when the client's intention is being validated with market data;	yyyy-mm-dd hh:mm:ss,sss

Item	Category	Description	Format
	Business	*Timestamp 5:* moment of sending the direct offer to B3;	yyyy-mm-dd hh:mm:ss,sss
		Timestamp 6: moment of confirmation from B3 to the Participant;	yyyy-mm-dd hh:mm:ss,sss
		Sender Location	MDA
		Timestamp 7: confirmation of the deal for the client.	yyyy-mm-dd hh:mm:ss,sss
		1) business amount	Numbers
		2) business price	Numbers
		Type of execution	"Total" / "Partial" Full execution of the intention Partial execution of the intention

Anexx II

Item			Format
3.1.5	**(i) Informações resumidas**	(a) Number of intentions met;	Number
		(b) Number of intentions received;	Number
		(c) Proportion of intentions met by the electronic counterparty search system;	Number a/b (%)
		(d) Number of direct offers answered (whether or not answered by the Participant's counterparty search system)	Number
		(e) Total number of transactions by the Participant in the segments of active products in the counterparty search system;	Number
		(f) Proportion of direct offers met in relation to the Participant's total business through the electronic counterparty search system;	Number d/e (%)
		(g) Number of direct offers served by the electronic counterparty search system;	Number
		(h) Total number of direct offers from the Participant;	Number
		(i) Proportion of direct offers served by the electronic counterparty search system in relation to the Participant's total direct offers;	Number g/h (%)
		(j) Number of (distinct) clients served by the counterparty search system. Final accounts that had transactions originating from direct offers served by the counterparty search system for the date and instrument;	Number
		(k) Total number of Participant clients eligible for the counterparty search system;	Number
		(l) Proportion of clients served by the electronic counterparty search system in relation to the Participant's total eligible clients;	Number j/k (%)
		(m) Number of clients (other than clients) who executed direct offers with the Participant	Number
		(n) Proportion of clients served by the electronic counterparty search system in relation to the total number of clients who executed direct offers with the Participant;	Number j/m (%)
		(o) Number of events in which there was human intervention in the electronic counterparty search system;	Number
		(p) List of clients served by the counterparty search system, with a breakdown of accounts and types of accounts used (master account, own account, linked person account, client account).	Text
	(ii) Planilhas analíticas	(a) List of trades that originated from intentions met by the counterparty search system (information that characterizes the trades): ▪ Trade date ▪ Trade code	

Item			Format
		▪ Segment ▪ Trade time ▪ Direction of the C/V transaction ▪ Trade number ▪ Quantity ▪ Price ▪ Executing account ▪ Sender location ▪ Session ▪ Intent ID ▪ Intent quantity ▪ Intent execution type: full/partial	
		(b) description of events that required human intervention in the electronic counterparty search system.	Text

Securities Lending Transactions

RETURN TO INDEX

Introduction

The supervisory standard addresses BSM's supervisory procedures for securities lending transactions to be established and maintained by Participants, to comply with CVM Resolution No. 34/2021 (“RCVM 34”), the guidelines of Circular Letter No. 4/2020-CVM-SMI (“OC 004/2020”) and the B3 Operational Qualification Program’s Standard Rules (“PQO’s Standard Rules”).

Publication History of Standards on the Topic

External Communication	Publication date	Status
BSM-007/2020	November 5, 2020	Revoked
CE-BSM-2/2023	January 13, 2023	Current

Securities Lending Transactions

(Published through External Communication CE-BSM-2/2023)

I. Provision of securities lending services

1.1. Participants that provide securities lending services must carry out their activities with good faith, diligence and loyalty towards their clients, and are prohibited from prioritizing their own interests to the detriment of the interests of their clients, as provided for in CVM Resolution No. 35/2021 ("RCVM 35") and the amendments introduced by CVM Resolution No. 134/2022.

1.2. Information on securities lending transactions, set out in the Participants' transaction intermediation agreement for markets managed by B3, must be made available to clients in a clear and objective manner to ensure that clients are fully aware of the authorizations granted and the costs involved in the transactions.

II. Duties of Participants arising from the provision of securities lending services

2.1. Prior to carrying out securities lending transactions, the Participant must obtain the client's authorization through an authorization term, in accordance with RCVM 34.

2.2. The authorization term must contain: (i) its term of validity; (ii) the form of transmission of client orders for carrying out lending transactions and the information that must be included in the orders; and (iii) the client's declaration that they are aware of and adhere to the B3 Regulations and Manuals that deal with the securities lending service, in accordance with RCVM 34.

2.3. The Participant must inform its clients clearly and objectively:

2.3.1. prior to the execution of the transaction, all amounts and percentages involved in the loan transaction, including those that will be retained by the Participant;

2.3.2. at the time of settlement of the transaction, all amounts and percentages involved in the loan transaction, detailing the total amount, in financial resources, received or paid by the counterparty to the transaction, the amount charged by the Participant and the amount received or paid by the client; and

2.3.3. when the counterparty to the transaction is a person linked to the Participant.

III. BSM's Approach

3.1. BSM, in its supervision, will evaluate the informational content of the intermediation agreement and the authorization term, the loan operations and whether, prior to the confirmation of the operation, the Participant agreed with the client on all the amounts and percentages involved in the loan operation, including those retained by the Participant.

3.2. BSM will also verify whether, at the time of settlement of the transaction, the Participant informed clients of all amounts and percentages involved in the loan transaction, detailing the total amount received or paid by the counterparty to the transaction, the amount charged by the Participant and the final amount received or paid by the client.

IV. Enforcement

4.1. In the event of non-compliance by the Participants, BSM may adopt the appropriate Enforcement measures, as provided for in its Procedural Regulations.

This Supervisory Standard will take effect from the first business day following its publication by BSM, repealing the previous standard on the subject, published through External Communication 007/2020-BSM, on November 5,2020.

Request for Transfer of Custody of Securities

RETURN TO INDEX

Introduction

The supervisory standard addresses BSM's supervisory procedures regarding the reception and execution of the request for transfer of custody of securities (“STVM”), as well as any rights and encumbrances assigned to these securities, to be implemented and maintained by Participants, in order to comply with CVM Resolution No. 32/2021 (“RCVM 32”).

Publication History of Standards on the Topic

External Communication	Publication date	Status
BSM-7/2020	November 5, 2020	Revoked
CE-BSM-3/2023	January 8, 2023	Current

Request for Transfer of Custody of Securities

(Published through External Communication CE-BSM-3/2023)

1. Provision of securities custody services

1.1. The provision of securities custody services for compliance with this Supervisory Standard applies to the custodian contracted to safeguard securities held by client and covers: (a) the preservation, control and reconciliation of securities positions in custody accounts held in the client's name; (b) the processing of movement instructions received from clients or from People authorized by contract or mandate; and (c) the processing of events affecting the securities held in custody.

1.2. The Supervisory Standard does not extend to positions held by clients in derivatives markets, nor does it encompass securities lending transactions and transfers made between registrars and custodians, which must be carried out through an Asset Transfer Order (OTA).

1.3. Participants must have and communicate to their clients, on their website, Operating Rules and Parameters ("RPA") or Operating Standards and Parameters ("NPA"), regarding the specific procedures for the transfer of financial assets deposited in the B3 central depository, as well as derivatives and federal government securities not covered by the Request for Transfer of Custody of Securities addressed in this Supervisory Standard.

2. Request for Transfer of Custody of Securities

2.1. The Participant must, in accordance with §1 of article 11 of RCVM 32, transfer the securities, as well as any rights and encumbrances attributed to them, to the custodian indicated by the client, considering the nature of each asset, its form of holding and transfer and the procedures established by the central depository.

2.2. The procedures adopted by Participants for the transfer of securities must guarantee the security of the process and the needs of clients, and the Participant must, in accordance with §3 of article 11 of RCVM 32, disclose on its websites the procedures and documents necessary for carrying out the transfer, in a clear manner, using simple and easy-to-understand language, in addition to informing in its RPA or NPA.

2.3. Request for Transfer of Custody of Securities must be used for securities that are in the client's custody account with the transferring Participant.

2.4. The Request for Transfer of Custody of Securities should not be used to transfer derivatives, financial assets, and government securities. For the derivatives market, position transfers must be made directly through a request to the B3 Clearinghouse[7].

2.5. When making a transfer involving corporate fixed-income securities, it is important to verify whether the information regarding the date and purchase price of the client's security is necessary and mandatory for processing the request to transfer the custody position to the transferee Participant. If this information is mandatory, the transferor Participant must obtain it from the client.

3. Carrying out the transfer of custody of securities

3.1. The procedures relating to the request for transfer of custody of securities must include documents and information that are necessary and sufficient to fulfill the request, as established by the transferring Participant.

3.2. Annex I to Circular Letter No. 8/2019-CVM/SMI highlights certain situations in which securities custody transfers occur, indicating the aspects that must be analyzed by Participants and the minimum documentation to be verified.

[7] According to the "B3 Chamber Operational Procedures Manual, available at: https://www.b3.com.br/pt_br/regulacao/estrutura-normativa/estrutura-normativa/pos-negociacao/

3.3. Participants must maintain procedures that include timely and frequent interaction measures with clients every 2 (two) business days during the custody transfer procedure, keeping records and evidence of these interactions for the period determined in the current regulations.

3.4. According to Article 11, §2, of RCVM 32, the transfer of securities to other Participants must be made within a maximum period of 2 (two) business days, counting from the date of receipt, by the Participant, of the valid request made by the client. The Participant must inform the client about the record of receipt of the transfer request and about the deadline for fulfilling the request, keeping records and evidence of the information sent and received to the clients for the period determined in the current regulation.

3.5. If the transfer request cannot be implemented within 2 (two) business days of its receipt due to inconsistencies or incompleteness in the completion of the STVM or non-compliance with the documentation submitted for this purpose, it is not reasonable for the Participant that maintains custody of the securities to cancel its client's transfer request prematurely, without first interacting with the client within the established period, informing and detailing the reasons for not implementing the custody transfer request up to that moment and giving the requesting client the opportunity to resolve any pending issues that are their responsibility.

3.6. After the aforementioned interactions, the Participant must keep the request open and ongoing so that the client can rectify the nonconformities, and must establish in its rules a minimum period of no less than 2 (two) business days for the client to submit the missing documentation. This period must be communicated to the client in the same interaction that the Participant makes to report the missing documentation or inconsistencies in the Request for Transfer of Custody of Securities submitted by the client.

3.7. While the STVM analysis process by the Participant is open and ongoing, it is the Participant's duty to maintain continuous communication with the client every 2 (two) business days.

3.8. When the client sends the documentation and information necessary to make the transfer request, the Participant must, within 2 (two) business days, transfer the securities to the transferee custodian previously specified by the client, in order to fully comply with §2 of article 11 of RCVM 32.

3.9. In cases of requests for transfer of securities to different holders that cannot be implemented within the period provided for in §2 of article 11 of RCVM 32, as they require a longer analysis time (in cases such as, for example, donation, inheritance, corporate succession, acceptance by the transferee Participant), the Participant must keep the client updated on the progress of the request, every 2 (two) business days, until the Request for Transfer of Custody of Securities is completed.

3.10. Finally, the Participants' procedures must provide that the client will have access, at any time, preferably electronically, to the updated status of their Request for Transfer of Custody of Securities, also making their service area available to answer their clients' questions.

4. Standardization of custody transfer services in institutions within the same economic group

4.1. Economic groups that have more than one institution participating in the B3 markets, authorized to provide custody services by the CVM, must standardize among the group's institutions the processes arising from the STVM held by clients and inform them of the operational codes of their respective custodians in order to mitigate errors in the process of filling out the Request for Transfer of Custody of Securities by their clients.

4.2. Intra-group and extra-group custody transfer procedures must be equitable, and difficulties or obstacles must not be created for extra-group STVM compared to intra-group Request for Transfer of Custody of Securities.

4.3. Economic groups that have custodian codes that are different from brokerage or distributor codes must clearly display the codes of these custodian institutions on their websites so that clients are aware of them when requesting Request for Transfer of Custody of Securities.

5. BSM's Approach

5.1. BSM, in its supervision, will observe the fulfillment of the Participants' duties set out in the regulations in force and in this Supervisory Standard, in particular verifying:

(i) the necessary transparency and disclosure that the Participant provides to its clients regarding its custody transfer procedures and the documents it requires to effect the custody transfer in each situation;

(ii) compliance with the 2 (two) business day deadline for completing the custody transfer;

(iii) the period of 2 (two) business days to communicate with the client about the need to complete the documentation or additional analysis by the Participant himself;

(iv) the continuous flow of communication between the Participant and its client every 2 (two) business days and while the Request for Transfer of Custody of Securities is not completed;

(v) the content of the information provided to the client when the Request for Transfer of Custody of Securities is not commanded;

(vi) the deadline for canceling the STVM and its grounds;

(vii) the standardization of procedures of institutions that belong to the same economic group;

(viii) the equivalence of intra-group and extra-group custody transfer procedures, when applicable;

(ix) information about the brokerage and custodian codes on the Participant's website, when applicable;

(x) cases that exceed the regulatory deadline for the transfer ordered by the client and the justifications presented by the Participant; and

(xi) the existence of electronic means to handle time controls and acceptance (reception, processing and implementation) of securities portability requests.

6. Enforcement

6.1. In the event of non-compliance by the Participants, BSM may adopt the appropriate Enforcement measures, as provided for in its Procedural Regulations.

This Supervisory Standard will take effect from the first business day following its publication by BSM, repealing the previous standard on the subject, published through External Communication 007/2020-BSM, on November 5, 2020.

Cancellation of auction bids due to operational error

RETURN TO INDEX

Introduction

The Supervisory Standard addresses BSM's supervisory procedures regarding the cancellation of auction offers, which participate in the formation of the theoretical price, due to operational error, to comply with the current rules issued by B3.

Publication History of Standards on the Topic

External Communication	Publication date	Status
CE-BSM-4/2023	January 13, 2023	Current

Cancellation of auction bids due to operational error

(Published through External Communication BSM-04/2023)

I. Monitoring of canceled bids at auction, which participate in the formation of the theoretical price, due to operational error

1.1. B3 Circular Letters Nos. 118 and 119-PRE, published on September 30, 2021, and the B3 Operational Procedures Manual, determine that Participants may request B3 to cancel offers that participate in the formation of the theoretical auction price in two circumstances: (a) during the free cancellation period; or (b) after this period, exclusively due to an operational error.

1.2. Regarding the hypothesis of cancellation due to operational error, the B3 Trading Regulation determines that the registration of an offer that, demonstrably, was created without the intention of carrying out transactions with the asset or derivative that is the object of the offer, or whose price, quantity or nature (purchase or sale) does not reflect the intention of the Participant, its representatives, or the order sent by the principal, will be characterized as an operational error.

1.3. Therefore, to comply with the rules issued by B3, the following steps are taken by BSM in supervising Participants regarding canceled offers at auction, which participate in the formation of the theoretical price, due to operational error:

(a) Keep a record and store cancellation orders;

(b) Keep a record and store the evidence proving the operational error, indicating, at a minimum:

b.1. the person responsible for the cancellation request that is justified by an operational error, which may be the Participant, its operators, advisors, responsible bank advisors, bank advisors or principal; and

b.2. the justification that characterizes the operational error, in accordance with the B3 Trading Regulations, whether due to the lack of intention or error involving the asset or derivative subject to the offer, price, nature, with the respective evidence (for example: voice order/chat/email/adequate offer, if any).

(c) If the Participant allows clients to cancel independently, via DMA, it must guide them on how to maintain evidence justifying the respective operational error, in accordance with this Supervisory Standard, and must have controls and monitor such offer cancellations by its clients, observing, at a minimum, any recurrence, systematization and pattern of action of its clients.

1.4. The Participant must monitor cancellation requests with justification of operational error, acting on recurrences, systematization and other elements identified that may indicate signs of irregularity.

II. BSM's Approach

2.1. BSM, in its market supervision and monitoring routines, monitors the cancellation of auction offers, which participate in the formation of the theoretical price, in its market supervision and monitoring routines, and may question Participants in specific cases.

2.2. BSM also monitors the cancellation of auction bids, which participate in the formation of the theoretical price, due to operational error through its audits, in which it will verify the Participant's compliance with the items provided for in the previous section of this Supervisory Standard.

2.3. BSM will adopt the following actions in its supervision of the cancellation of offers that participate in the formation of the theoretical price at auction, with the justification of operational error:

(i) will evaluate the justifications presented by the Participants for the operational errors that occurred considering the existing evidence;

(ii) solicitará esclarecimentos quanto à recorrência dos cancelamentos enviados; e

(iii) will assess the evidence of the existence of the controls and monitoring provided for in item 1.3. “c” of this Supervisory Standard.

III. Enforcement

3.1. In the event of non-compliance by the Participants, BSM may adopt the appropriate Enforcement measures, as provided for in its Procedural Regulations.

This Supervisory Standard shall come into effect on the first business day following its publication by BSM.

Same-Party Transactions (OMC)

RETURN TO INDEX

Introduction

The Supervisory Standard addresses the monitoring to be carried out by Participants on Same-Party Transactions ("OMC"), in view of the current CVM guidelines and the rules issued by B3.

Publication History of Standards on the Topic

External Communication	Data de publicação	Status
11/2023-BSM	June 1, 2023	Current
2664/2020-DAR-BSM	August 14, 2020	Revoked

Supervision Standard for the Same-Party Transactions (OMC)

(Published through External Communication BSM-11/2023)

BSM Market Supervision ("BSM"), in the exercise of its functions, issues this supervisory standard ("Supervisory Standard") with the objective of informing the monitoring to be carried out by Participants on Same-Party Transactions ("OMC"), in view of the current guidelines of the Brazilian Securities and Exchange Commission ("CVM") and the standards issued by B3 S.A. – Brasil, Bolsa, Balcão ("B3").

Terms defined in this Supervisory Standard are in accordance with the BSM Glossary[8] or are defined in this Supervisory Standard.

The Supervisory Standard is divided into 6 (six) sections: (I) Participants' duty to monitor WTO; (II) Participants' responsibility for monitoring and analyzing WTO in negotiation and post-trade; (III) Use of Self-Trade Prevention (STP); (IV) Controls for WTO supervision by Participants; (V) BSM's Approach; and (VI) Enforcement.

I. Dever de monitoramento de OMC pelos Participantes

1.1. It is the duty of the Participants of the markets managed by B3 to supervise offers and transactions, in accordance with the regulations of the CVM and B3, including, among the transactions to be monitored, the OMC, in order to prevent irregular practices typified in CVM Resolution No. 62/2022 ("RCVM 62"), as well as to observe the provisions of CVM Resolution No. 35/2021 ("RCVM 35") and the B3 Operational Qualification Program Standard Rules ("PQO's Standard Rules").

[8] Available at: https://www.bsmsupervisao.com.br/legislacao-e-regulamentacao/leis-normas-e-regras.

1.1. The occurrence of OMC, through one or more Participants, may not be individually characterized as an irregularity, if it is considered by the Participant as occasional, random and/or unintentional, after analyzing the operations.

1.2. This is because market participants are allowed to place buy and sell offers for the same security throughout the trading session. Registered opposing offers (buy and sell) may occasionally (and eventuality is an important element in this concept) be found on the B3 trading platform based on their values and chronological order of insertion and may result in trades on behalf of the same client.

1.3. OMCs with characteristics of systematicity, recurrence and/or intentionality, whether in the trading or post-trading environment, may reveal irregularities and cause impacts to the markets managed by B3, such as, for example:

(i) Creation of artificial conditions of supply, demand or price;
(ii) Price manipulation Manipulation;
(iii) Distortion in the liquidity indicators of traded securities;
(iv) Distortion in the formation of indices (e.g., the tradability index);
(v) Distortion in the formation of the settlement price of traded securities, including the MtM (Market-to-Market) process and the definition of the settlement price of a security with a future maturity;
(vi) Submission of stop orders or scheduled systemic resets; and/or
(vii) Distortion in the formation of minimum, average, and maximum prices, and in the average quantity traded.

1.4. It is the duty of the Participants of the markets managed by B3 to monitor and analyze OMC carried out by their clients (including Market Makers and clients registered as High Frequency Traders - HFT), in order to prevent and curb abusive practices.

1.4. Participants must identify OMCs with characteristics exemplified in item 1.4, in all trading environments, including transactions executed in regular trading sessions, auctions, or direct transactions, as well as in pass-through transactions, in the B3 post-trading environment.

II. OMC Monitoring and Analysis Responsibility in Negotiation and Post-Negotiation by Participants

2.1. Transactions executed in the trading environment are captured by the B3 Clearinghouse and may be allocated (with the identification of the final account of the transaction client) by the executing Participant, or must be allocated by the responsible final Participant, in accordance with the B3 Clearinghouse Operating Procedures Manual ("B3 Clearinghouse MPO").

2.2. In the B3 post-trading environment, Participants are permitted to carry out transaction pass-through, i.e., they may execute transactions in the trading environment on behalf of and by order of a client linked to another Participant, so that this originating Participant and the respective clearing member transfer the responsibilities arising from the transaction to the destination Participant and the respective clearing member, upon confirmation, in accordance with the B3 Clearinghouse's MPO.

2.3. The accepted transfer makes the Target Participant responsible for the obligations arising from the transferred transaction, as per the B3 Clearinghouse Regulations.

2.4. The pass-through and allocation procedures set forth in the B3 Clearinghouse Regulations and MPO allow a Participant to identify the OMC, provided that two conditions have been met cumulatively: (i) both purchase and sale transactions contain

final allocation information; and (ii) both purchase and sale transactions are under the responsibility of the same Participant, whether in the trading or post-trading environment, and in the latter case, including transactions received via pass-through, destined for the same Participant. If these two conditions are met, the Participant may identify, monitor, and analyze the OMC under the terms of this Supervisory Standard.

2.5. In cases where the two conditions above have not been met cumulatively, that is, situations in which (i) there is no final allocation in the transactions (when there is no indication of account or indication of transit account), and/or (ii) the purchase and sale transactions are not under the responsibility of the same Participant in the trading or post-trading environments and, consequently, the Participant is unable to identify the OMC, monitoring and analysis of the transactions will not be required.

2.6. BSM illustrates the Participants' WTO review and monitoring responsibilities, described in items 2.3 and 2.4 above, in the table below:

	Trading Environment			
Post-Trading Environment	**Same Participant with final allocation**	**Same Participant without final allocation**	**Different Participants with Final Allocation**	**Different Participants with no final allocation**
No Transfer	Participant must monitor and analyze OMCs both in the negotiation environment and in the post-trade environment.	Participant must monitor and analyze OMCs in the post-trade environment based on the analysis of the final allocation.	Participants are unable to identify OMC either in the negotiation or post-negotiation environment.	Participants are unable to identify OMC either in the negotiation or post-negotiation environment.
	Participants should monitor	Participants should monitor	Participant must monitor and	Participant must monitor and

With Transfer to a Single Participant	and analyze WTOs both in the negotiation and post-trade environment.	and analyze WTOs both in the negotiation and post-trade environment. l.	analyze WTOs in the post-trade environment.	analyze OMCs in the post-trade environment based on the analysis of the final allocation.
With Transfer to Different Participants	Participant must monitor and analyze WTOs in the trading environment.	Participants are unable to identify OMC either in the negotiation or post-negotiation environment.	Participants are unable to identify OMC either in the negotiation or post-negotiation environment.	Participants are unable to identify OMC either in the negotiation or post-negotiation environment.

2.7. After identifying an OMC, the Participant must monitor and analyze such transactions to verify the occurrence of systematicity, recurrence and intentionality in the execution of the OMC and/or the existence of signs of irregularities, as per the examples in item 1.4 of this Supervisory Standard.

2.8. If the Participant concludes that the analyzed OMCs present signs of irregularities or impacts on the markets managed by B3, BSM must be informed about the analysis carried out, the characteristics of systematicity, recurrence and intentionality verified and its conclusions.

2.9. Participants must store the analyses carried out based on OMC monitoring for the period indicated in the current CVM rule, regardless of the conclusion observed. In other words, both cases with signs of irregularities or impacts on the markets managed by B3 and cases analyzed without signs of irregularities or impacts must be stored.

III. Use of the “Self Trade Prevention”

3.1. The “Self Trade Prevention” (“STP”), a feature available in the B3 trading platform environment, is an option for clients, both with the Participants in which they operate and with the Participant themselves, through which they can prevent the crossing of offers generating trades (matching) from the same client in opposite directions and avoid OMC. Identifying that the same client is identified by the client or Participant filling in the unique investor identifier (“ID”), in accordance with the B3 Trading Operating Procedures Manual (“B3 Trading MPO”). For STP to prevent the crossing of offers generating OMC, the ID must be filled in for both offers.

3.2. It is possible to use the STP functionality to indicate, for each order, that it is a different strategy in the execution of transactions[9], by changing the ID in the STP, under the terms defined in the B3 Trading MPO.

3.3. In compliance with the Participants' duty of transparency towards their clients, as per RCVM 35, it is recommended that the Participants' rules and operating parameters or standards and operating parameters (“RPA or NPA”), or their respective contracts, as applicable, contain the following provisions regarding the use of the STP:

(i) If your clients use the STP, the Participant may become aware of the existence of other registered offers from the same client with other Participants when finding offers on the B3 trading platform. In this sense, the Participant must comply with the legal provisions that impose on it the duty to obtain the prior consent of its clients, so that they can have access to the information shared because of the use of the STP.;

[9] **B3 Trading MPO. Title II. Chapter IV. Item 5.2.** The investor holding several accounts and/or linked to more than one full trading participant or trading Participant that deems it necessary to use more than one ID to execute different trading strategies may do so (...).

(ii) When using STP, the platform must indicate which order will be eliminated from the B3 central order book and, consequently, which order will be processed by the B3 trading platform, if any. Clients may choose to eliminate the attacking order (default setting), the attacked order, or both; and

(iii) Whether and under what conditions the use of the STP functionality will be mandatory for all its clients or for a specific group of clients.

3.4. The STP is a useful tool for clients, Participants and for BSM supervision and oversight by assisting in controls and in the Participants' performance as gatekeepers, as well as in identifying different strategies used by clients in executing transactions, reducing false positives of OMC.

3.5. The information linked to the use of the STP functionality is declaratory, including the characteristics of the intermediated and executed transactions, for which the Participants are responsible for both the veracity and completeness, without prejudice to any requests for evidence by BSM.

3.6. If the STP is not adopted, the Participant, upon request, must present evidence to BSM proving that the same client's transactions relate to different strategies.

3.7. If other tools also provide this functionality, BSM understands that the Participant may choose the tool that best suits him/her, as long as it meets the objective of preventing the formation of OMC and observes, as applicable, this Supervisory Standard.

IV. Controls for the supervision of OMC by Participants

4.1. In order to fulfill their monitoring and analysis duties, Participants must develop controls in the negotiation and post-trade environments capable of identifying and analyzing OMCs. It is up to the Participant to determine which controls are appropriate for monitoring and analyzing OMCs ("OMC Monitoring and Analysis Controls"). Such controls must be capable of identifying OMCs that possess the following characteristics, which may indicate the practice of any of the irregularities described in item 1.4 of this Supervisory Standard:

(i) OMC in regular trading with signs of intention to fluctuate prices (purchase higher than sale price or sale at a price lower than purchase and always aggressive offer);

(ii) OMC in a regular trading session with signs of intention to increase or decrease the price of the security, including checking whether there is a potential conflict with positions already existing in the client's account;

(iii) OMC in a regular auction with signs of intention to attract market (always aggressive offer with a smaller amount than the attacked offer and which has systematicity or frequency in its execution until the potential intention of attracting market is achieved) and having its offer attacked by the market;

(iv) OMC in an auction with the intention of nullifying the effect of the offer, so that other offers that were participating in the formation of the theoretical price are no longer met due to the offer that generated the OMC;

(v) Direct OMC transactions that had their buyer and seller clients specified at the time of registration of the direct offer and were a final client account in the trading environment;

(vi) Direct OMC operations that have their clients allocated after the moment of registration of the direct offer with the use of a transit account in the trading environment;

(vii) Map the representation of OMC in business, quantity and/or volume of clients, Market Makers and/or HFT, as well as the representation of OMC in the trading session of a given security;

(viii) Map the executing account, the final allocated account, the executing session, the executing operator, executing advisor, and execution ID equal to the final ID, in order to identify possible OMC patterns;

(ix) Map OMCs involving error accounts and own portfolios;
(x) Map OMCs that affect the regular price formation process;
(xi) Map changes in the operational pattern of clients, Market Makers and/or HFT involving OMC; and
(xii) Check for any time differences between the execution of operations and the allocation that results in OMC.

4.2. In addition to the OMC Monitoring and Analysis Controls, Participants must be able to identify and monitor a distinctively high percentage of transactions between a given client and a given Participant, compared to clients with similar operating patterns. Although this is not evidence of atypicality, such an occurrence must be reported to BSM so that any atypicality can be determined, considering that the self-regulator can view data regarding transactions that cannot be interpreted by Participants, such as the identification of the ultimate beneficiary in the Participant's transactions that are part of another Participant's business.

4.3. Although the best way to identify different strategies that may cause OMC is to adopt the STP functionality, Participants that are aware of client strategies that involve OMC must inform BSM of said strategies and accounts involved so that BSM can assess and, as the case may be, filter false positives from the supervision and inspection systems, thus avoiding unnecessary questions for Participants.

V. BSM's Approach

5.1. In addition to the supervision carried out based on evidence forwarded by B3, BSM monitors the systematicity, recurrence and/or intentionality of OMC clients in its supervision and market monitoring routines and may question Participants whenever it deems necessary.

5.2. BSM also monitors Participants through its ongoing audits and supervision, in which it verifies compliance with the duties set forth in this Supervision Standard. When monitoring Participants, BSM verifies, among others, the following situations:

(i) Existence of OMC Monitoring and Analysis Controls, under this Supervisory Standard, that can identify the OMC characteristics described therein;
(ii) Use of the STP functionality by the Participant, being able to request clarification on the non-use of the functionality, if deemed necessary; and
(iii) Effectiveness of Participants' WTO monitoring and analysis indicators.

VI. Enforcement

6.1. In the event of non-compliance by Participants with this Supervisory Standard, BSM may adopt the appropriate Enforcement measures, in accordance with its Procedural Regulations.

This Supervisory Standard will take effect from August 1, 2023, revoking the previous official letter on the subject, published through External Communication 2664/2020-DAR-BSM, on August 14, 2020.

Direct Offers

RETURN TO INDEX

Introduction

The supervisory standard addresses BSM's supervisory procedures for direct offerings for B3 Listed assets and derivative contracts, considering the end of Phase 1 and the beginning of Phase 2 of B3's monitoring, as per Circular Letter 176/2022-PRE, dated December 13, 2022, and Circular Letter 045/2023-PRE, dated April 4, 2023, in order to comply with CVM guidelines and current standards issued by B3.

Publication History of Standards on the Topic

External Communication	Publication date	Status
BSM-28/2023	December 12, 2023	Current
BSM-17/2022	June 27, 2022	Revoked

Update of the BSM Supervisory Standard for Direct Offers for B3 Listed Derivatives Assets and Contracts

(Published through External Communication BSM-28/2023)

BSM Market Supervision ("BSM"), in the exercise of its functions, issues this update of the supervisory standard ("Supervisory Standard") that addresses BSM's supervisory procedures for direct offerings for B3 Listed assets and derivative contracts, considering the end of Phase 1 and the beginning of Phase 2 of B3's monitoring, according to Circular Letter 176/2022-PRE, dated December 13, 2022, and Circular Letter 045/2023-PRE, dated April 4, 2023, in order to comply with CVM guidelines and current standards issued by B3.

Defined terms are in accordance with the BSM Glossary[10] or are defined in this Supervisory Standard.

This Supervisory Standard will address the process of monitoring the rules for registering direct offerings, BSM's actions based on data held by B3 and Participants' responses provided to B3 and delivered to BSM, and will be divided into three sections: (I) B3's monitoring process of the rules for registering direct offerings supervised by BSM; (II) BSM's actions; and (III) Enforcement.

I. B3's monitoring process for the rules for registering direct offerings supervised by BSM

1.1. B3, through Circular Letter 176/2022-PRE, or any other version that replaces it, and the B3 Trading Operating Procedures Manual, establishes the minimum size parameters and thresholds for all assets and derivative contracts on the B3 List.

[10] Available at: https://www.bsmsupervisao.com.br/legislacao-e-regulamentacao/leis-normas-e-regras

1.2. Therefore, B3, in fulfilling its functions, will share with BSM: (i) the complete databases related to direct offers; (ii) the responses provided by Participants regarding any non-compliance with the rules on direct offers; and (iii) the measures taken by B3 regarding non-compliances, including those resulting from the delay in delivering the responses that Participants are required to provide.

II. BSM's Approach

2.1. BSM will evaluate, in its supervision, based on the data sent by B3, the recurrent situations of non-compliance of direct offers due to operational errors, as well as the justifications presented by the Participants.

III. Enforcement

3.1. If the justifications presented by the Participants for the recurring disqualification of direct offers are not adequate, BSM may take additional measures to obtain additional information and, as the case may be, the applicable Enforcement measures.

3.2. Furthermore, BSM will act in a sanctioning manner and independently of B3 in cases where irregularities are identified with the use of direct offers during its supervision, as provided for in its Procedural Regulations.

This Supervisory Standard will take effect from the first business day following its publication by BSM, revoking the previous official letter on the subject, published through External Communication 17/2022, dated June 27, 2022.

Latency Indicators

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Introduction

The supervisory standard addresses the procedures to be followed by Participants that offer electronic trading platforms for access to B3 systems that are used by retail clients of the B3 Listed and the fulfillment of service level agreements by Participants to their retail clients (service level agreement - SLA), in view of the current CVM guidelines and the standards issued by B3.

Publication History of Standards on the Topic

External Communication	Publication date	Status
BSM-29/2023	December 12, 2023	Current
BSM-2/2021	August 4, 2021	Revoked

Supervisory Standard on Latency Indicators of Electronic Trading Platforms and Service Level Agreements

(Published through External Communication BSM-29/2023)

BSM Market Supervision ("BSM"), in the exercise of its functions, issues this Supervisory Standard ("Supervisory Standard") with the objective of informing the procedures to be followed by Participants that offer electronic trading platforms for access to the systems of B3 S.A. – Brasil, Bolsa, Balcão ("B3") that are used by retail clients of the B3 Listed and on the fulfillment of service level agreements by Participants to their retail clients (service level agreement – SLA), in view of the current guidelines of the Brazilian Securities and Exchange Commission ("CVM") and the rules issued by B3..

Terms defined in this Supervisory Standard are in accordance with the BSM Glossary[11] or are defined in this Supervisory Standard.

The Supervisory Standard is divided into 8 (eight) sections: (I) Introduction: Participant's Duty regarding the maximum latency of electronic trading platforms; (II) Service Level Agreement: maximum latency of electronic trading platforms; (III) Service Level Agreement: Service time of alternative channels; (IV) Disclosure and Update of Service Level Agreements; (V) Contracts signed with external providers of relevant services; (VI) Contracting or use by clients of electronic trading platforms; (VII) BSM's Approach; and (VIII) Enforcement.

[11] Disponível em: https://www.bsmsupervisao.com.br/legislacao-e-regulamentacao/leis-normas-e-regras.

I. Introduction: Participant's Duty Regarding Maximum Latency of Electronic Trading Platforms

1.1. The Brazilian Securities and Exchange Commission (CVM), with the changes introduced by CVM Instruction No. 612/2019 (ICVM 612), to CVM Instruction No. 505/2011 (ICVM 505), later replaced by CVM Resolution No. 35/2021 (RCVM 35), began to emphasize, in the regulations, aspects related to information technology used by intermediaries, especially in matters related to electronic trading.

1.2. These issues were addressed in detail with the publication of Circular Letters No. 3/2020-CVM/SMI, dated April 6, 2020, and No. 6/2020-CVM/SMI, dated August 18, 2020 (“Circular Letters”, when referred to together), addressed to Participants that offer electronic trading platforms for access to B3 systems and that are used by retail clients of the B3 Listed.

1.3. In this context, BSM is responsible for supervising and monitoring B3 Participants, to validate compliance with current regulations.

1.4. The provisions of this Supervisory Standard apply to all electronic trading platforms, regardless of the type of order manager, used by B3's retail clients, including home brokers and mobile applications. Electronic platforms used exclusively for transactions carried out by the trading desk or investment advisors are not covered by this Supervisory Standard.

II. Service Level Agreement: Maximum latency of electronic trading platforms

2.1. Participants that have electronic trading platforms used by retail clients of the B3 Listed must establish and disclose, in a clear, uniform, visible and easily accessible manner, to current and potential clients, a Service Level Agreement (SLA) informing at

least: (i) the maximum latency, including during peak demand, of order processing in the systems under their management, whether their own systems or those contracted by the participant with third parties; (ii) the effective date of said Service Level Agreement; and (iii) the unit of measurement used to define the maximum latency.

2.2. The information must be available in the public area of the website and in the contract terms of the electronic trading platforms subscribed by clients.

2.3. The figure below illustrates the order flow, from its submission by the client to the receipt of the return message, forwarded by B3 and received by the Participant and its client.

Order flow sent by clients accessing electronic trading platforms



(*) Technological infrastructure also includes solutions hosted inside and outside the B3 Data Center, made available by Participants or software providers hired by them.

2.4. **The service level with the maximum latency is equal to time (B-C) + time (F-G).**

2.4.1. To calculate the maximum latency value metric to be published by the Participant, the time interval from the arrival of the order at the Participant

or at the software provider contracted by it, until its submission to B3 (section B-C), and the return of the order status to the Participant or software provider contracted by it, and its submission to the client (section F-G) will be considered.

2.4.2. There's no need to be considered in the calculation:

(i) time interval between the sending of the order by the client and its receipt by the Participant, or software provider contracted by it (section A-B);
(ii) (ii) time interval between the Participant sending the message to B3 (section C-D);
(iii) processing time by B3 (section D-E);
(iv) time interval between sending the message from B3 to the Participant (section E-F);
(v) time interval between sending the return message to the client (section G-H).

2.4.3. After disclosing the service level with the maximum offered latency, the Participant must establish controls to verify compliance with the established SLA, conducting tests at least monthly, covering all orders. These controls must be consistent and verifiable to ensure compliance with the established and disclosed values. Participants, based on their controls, must, at a minimum, record, explain, and investigate the reasons for any noncompliances that are identified, in addition to action plans, if applicable, in situations where the Participant is not meeting the service level agreements, as per the disclosed maximum latency indicator.

III. Service Level Agreement: Alternative Channel Response Time

3.1. Participants that offer electronic trading platforms used by retail clients of the B3 Listed must establish and disclose, in a public area, in a clear, uniform, visible and easily accessible manner, to current and potential clients, a Service Level Agreement regarding the service time of each of the existing alternative channels for their clients, in the event of unavailability of the electronic trading platform(s), including for situations in which processing peaks occur, or others of a similar nature.

3.2. The Service Level Agreement regarding the service time of each of the alternative channels must contain at least: (i) the effective date of the Service Level Agreement; and (ii) the unit of measurement used to define the maximum time for client service.

3.3. Alternative client service channels include telephone, chat, email, or other electronic trading platforms. The Participant's contingency strategy may, for example, define one electronic trading platform as a backup for another electronic trading platform. However, since both are subject to failure, the Participant must also offer alternative channels to provide its clients with the means to receive service and transmit orders. Order transmission is understood as the insertion of a new order or the modification or cancellation of a previously submitted order.

3.3. When establishing and disclosing the service level for alternative channels, the Participant must consider the interval from the beginning of its interaction with the client until the moment the client is effectively able to carry out the transaction, for example, from the moment the client is served by telephone or chat until he or she is able to carry out the transaction.

3.4. When the alternative channel provided is email, the Participant must consider the time interval from receipt of the investor's message until the order is entered into the electronic trading platform, if the client has sent the minimum information necessary to execute the order.

3.5. The Participant must take an active stance in disseminating, to its clients, the list of all its alternative service channels, encouraging them to get to know them and try them out not only at the beginning of the relationship, but over time, and whenever there are changes in these channels.

3.6. If the Participant offers more than one alternative channel, it must instruct its clients to use as many as necessary until they are served. The Participant may establish the preferred order of channels to be accessed by the investor, without prejudice to its obligation to monitor all available channels.

3.7. In situations where all alternative channels are also unavailable, the Participant must also maintain tools (such as a specific email address, for example), disclosed from the beginning of the relationship, that allow clients to register their order, serving as a last resort after the client has exhausted all attempts to contact the Participant through existing alternative channels. In these extreme situations, so that the client's order registration can be fully understood and utilized, the Participant must provide clear instructions on the conditions for using these tools and must define the minimum information required from the client, such as characteristics of the order to be executed (asset, quantity, price, nature, type), mention of available alternative channels, among other information deemed relevant.

3.8. The Participant must disclose in advance to clients how orders received at the end of the trading session and outside the alternative channel's service time will be handled.

3.9. After disclosing the service level and the response time for alternative channels, the Participant must establish controls to verify compliance with the established SLA at least monthly, for all service requests. These controls must be consistent and verifiable to ensure compliance with the offered alternative channels and rates. Such controls must, at a minimum, record, explain, and determine the reasons for any noncompliances

that are identified, in addition to action plans, if applicable, in situations where the Participant is not meeting service level agreements, as per service indicators, or where there is a failure to meet the alternative channel's response.

IV. Disclosure and Update of Service Level Agreements

4.1. The Participant may decide the best form or instrument for disclosing Service Level Agreements regarding the maximum latency of electronic trading platforms and the service time of alternative channels, if it is done in an easily accessible area, prominently, and in a clear and objective manner, so as not to mislead the client. The use of RPA (Operating Rules and Parameters), NPA (Operating Standards and Parameters), or Intermediation and Custody Agreements are disclosure instruments, if they are published within the same principles.

4.2. If the Participant updates the Service Level Agreements regarding the maximum latency of electronic trading platforms and service time of alternative channels, it must maintain an accessible history of all changes, with the respective effective dates of each agreement.

4.3. The Participant may disclose a confidence interval for the Service Level Agreement regarding the latency of electronic trading platforms and the service time of the alternative channel.

4.4. The Participant must also provide maximum latency and service values, including during peak demand. BSM will use the maximum values indicated by the Participants for monitoring and oversight purposes.

V. Contracts signed with external providers of relevant services

5.1. Services whose interruption or unavailability may have a significant negative impact on the Participant's business are considered relevant. Therefore, Participants must classify as relevant, at a minimum, electronic trading platforms provided by these providers or by third-party software providers, which the client contracts with or facilitates from the Participant.

5.2. For services provided by third parties that are classified as relevant by the Participant, the contractual instruments signed with such third parties must contain clauses regarding the integrity and availability of information related to the service, recovery of data and information processed or stored by the service provider, in addition to the obligation to retain them for a minimum period of five years. The contractual instruments signed may not limit or prevent BSM's access to its content, documents, data and information processed or stored by the service provider.

5.3. In addition to these clauses, BSM will analyze contracts signed with major service providers to ensure the existence of Service Level Agreement clauses, responsibilities of the parties, confidentiality of information and term of the contract or equivalent form.

VI. Contracting or use by clients of electronic trading platforms

6.1. The Participant must act transparently regarding the core aspects of the contracting or use of the electronic trading platforms it makes available to its clients. BSM considers the disclosure by the Participant to clients of the following information to be examples of this transparency:

(i) ways of contracting the platform: description of how the client must proceed to contract the electronic trading platform;

(ii) related costs: details of the total costs for using the electronic trading platform and, if applicable, for use in a test environment;

(iii) tool features: indication of where the client can find information about how the platform works. In this case, a platform user manual may be provided, for example;

(iv) ways to test the platform and its functionalities: In the case of electronic trading platforms that use trading algorithms, a testing environment or simulator must be provided. The simulator must provide information in an easily accessible location and at all times, stating that commands entered into the platform will not be routed to the B3 trading system. For other types of platforms, where order registration using algorithms is not permitted, the Participant must provide a platform manual or other means that allows the client to understand its functionalities;

(v) contingency procedure, measures in cases of platform unavailability and instability and forms of notification about incidents: detailed instructions for the client to be informed in cases of unavailability or instability of electronic trading platforms and what actions the Participant recommends that the client should follow, such as, for example, seeking alternative channels for sending orders and procedures in case of unavailability of such channels;

(vi) available types of platforms, algorithms and responsibilities assigned in each case: specify whether the electronic trading platform is unicast or multicast, whether it has black box or white box algorithms and, in each case, what are the responsibilities of the participant, the software provider (if applicable) and the client;

(vii) audit trails: detail which transactions are recorded in logs stored by the Participant, considering, at least: (a) the time the information is retained; (b) client login and logoff records; (c) inclusion, modification and cancellation of client orders; and (d) origin of the offers (IP or

equivalent method), according to the BSM's File Layout Manual, available at https://www.bsmsupervisao.com.br/Noticias/Manuais; and

(viii) ways of updating the information made available to clients: specify how the client can ensure that the information viewed on the electronic trading platform is up to date, or indicate where updated information on the status of orders, custody positions, offers and transactions, limits and asset prices can be consulted[12].

6.2. In addition to the considerations described above, the Participant must make available and highlight on its website, applications and other client interaction channels, a message with the following content: "All order transmission via the internet is subject to interruptions or delays, which may prevent or impair the sending of orders or the reception of updated information related to: (a) order status; (b) custody, operations and limit positions; and (c) asset prices".

6.3. When the Participant offers the use or contracts with electronic trading platforms that use black box algorithms, the Participant must assess, at least once a year, the risks involved in their use, in particular the risk of algorithms failing and exhibiting unexpected behavior.

VII. BSM's Approach

7.1. When supervising Participants, BSM may verify, among others, the following situations:

(iv) Existence and disclosure, in a clear, uniform, visible and easily accessible manner, to current and potential clients, of a Service Level Agreement (SLA)

[12] Solutions that indicate the update time, or that contain commands that can be triggered by the client to update the information, are accepted ways to comply with the standard.

informing the maximum latency of order processing in the systems under its management, as well as the effective date of said Service Level Agreement and the unit of measurement used to define the maximum latency;

(v) Existence and disclosure, in a clear, uniform, visible and easily accessible manner, of a Service Level Agreement regarding the service time of existing alternative channels for its clients, as well as the effective date of said Service Level Agreement and the unit of measurement used to define maximum latency;

(vi) Existence of controls to verify compliance with the SLA, and such controls must be consistent and verifiable to ensure compliance with the values and alternative channels offered;

(vii) Appropriate classification of contracts signed with relevant external service providers, with the inclusion of mandatory clauses; and

(viii) Transparency mechanisms regarding the central aspects of contracting or using electronic trading platforms made available to clients.

VIII. Enforcement

8.1. In the event of non-compliance by Participants with this Supervisory Standard, BSM may adopt the appropriate Enforcement measures, in accordance with its Procedural Regulations.

This Supervisory Standard will take effect from the first business day following its publication by BSM, revoking the previous official letter on the subject, published through External Communication 002/2021-BSM, dated August 4, 2021.

Change Management Process

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Introduction

The supervisory standard addresses BSM's supervisory procedures regarding the change management process, considering current CVM regulations and standards issued by B3.

Publication History of Standards on the Topic

External Communication	Publication date	Status
BSM-01/2024	January 19, 2024	Current

Supervisory Standard on the Change Management Process

(Published through the Supervisory Standard BSM-01/2024)

BSM Supervisão de Mercados ("BSM"), in the exercise of its functions, issues this supervisory standard ("Supervisory Standard") to address BSM's supervisory procedures regarding the change management process, considering the current regulations of the Brazilian Securities and Exchange Commission ("CVM") and the standards issued by B3 S.A. – Brasil, Bolsa, Balcão ("B3").

Defined terms are in accordance with the BSM Glossary[13] or are defined in this Supervisory Standard.

The Supervision Standard is divided into 4 (four) sections: (I) Participant Duties; (II) Change Management Process; (III) BSM Performance; and (IV) Enforcement.

I. Participant's Duties

1.1. To grant and maintain authorization to access markets managed by B3, the Participant must meet the minimum requirements set forth in the B3 Access Regulations, including compliance with current regulations, including the B3 Operational Qualification Program Standard Rules.

1.2. One of these minimum requirements that the Participant must comply with refers to the need to have technical and information security requirements, minimum standards of technological and communication infrastructure, and operational controls

[13] Available at: https://www.bsmsupervisao.com.br/legislacao-e-regulamentacao/leis-normas-e-regras.

appropriate to the exercise of its activities, in addition to the nature, size, complexity, structure, risk profile and business model of the Participant.

1.3. In this sense, the Participant must have controls for managing changes to its own software or software acquired from third parties, designed to ensure that changes made to a system are implemented in a controlled manner, mitigating the risks of negative impacts on the Participant's operations.

II. Change Management Process

2.1. No processo de gerenciamento de mudanças é esperado que os Participantes adotem, no mínimo, as seguintes etapas:

a) **Impact analysis**: Impact and risk analysis of the areas and/or processes that will be impacted by the change;

b) **Execution planning**: Defining the responsible party, timing, and method of implementing the change, as well as how it will be transmitted to the production environment;

c) **Testing roadmap and execution**: Description of the functionalities that will be tested before implementation in the production environment, to ensure the proper functioning of the change;

d) **Approval of the involved areas before production implementation**: Approval from the responsible technical area, from the perspective of infrastructure, impact, and planning, and from the business area, from the perspective of system functionality;

e) **Rollback plan**: Description of the actions that will be taken to resume the process after the implementation of an unsuccessful change, whether through a software update, a return to the previous version, or another alternative defined by the Participant. The plan should include planning activities for returning to the previous situation, an estimated timeframe for this return, and the continuation of the process, even if by alternative means, specifying what these means will be, until a new implementation attempt is made; and

f) **Documentation of changes**: a change request that should complement the documentation of all the steps described above, using a form or system.

2.2. System changes in a production environment may result from (i) demands from clients or internal users (user experience); (ii) regulatory demands; (iii) incident demands in the production environment; (iv) technological evolution; or (v) performance improvements.

2.3. The most common types of changes are planned and emergency, and:

a) Planned changes must follow all the change management steps described in item 2.1 above, with a previously defined timeline; and

b) Emergency changes must occur to meet an exceptional, duly justified demand, in which it is necessary to restore service as quickly as possible, minimizing or avoiding major impacts on the business. As the name suggests, an emergency change should be treated as an urgent and exceptional activity, and its flow should be faster than a planned change. Emergency changes do not need to follow all the change management steps described in item 2.1 above; the Participant must define the minimum steps for emergency changes and document them in their change documentation.

2.4. Documentation of the changes referred to in this section must be maintained in accordance with the terms required by current regulations.

III. BSM's Approach

3.1. BSM's supervision and oversight of the duties set out above occurs through its continuous audits and supervisions, as per the tests defined in the Test Plan.

3.2. During the supervision and monitoring of the Participant regarding its change management process, BSM verifies compliance with the following situations:

(i) Existence of controls for recording changes made to the production environment of application systems;
(ii) Existence of a change record, including:
a) Impact analysis;
b) Execution planning;
c) Test script and execution;
d) Approval by the involved areas prior to production deployment;
e) Rollback plan; and
f) Documentation of changes.
(iii) Cross-referencing of the assessed change with the control for recording changes made to the production environment of application systems; and
(**iv)** Existence of segregation of environments between production, approval, and development (if applicable) for the application and database layers.

3.3. Without prejudice to the performance of audits to assess compliance with the regulation and this Supervisory Standard as described above, BSM may require a statement from the Director Responsible for the Market, the Director responsible for

compliance with CVM Resolution No. 35/2021 (“RCVM 35”) and the Director responsible for supervising the Participant’s internal procedures and controls, under RCVM 35, attesting to compliance with change management obligations, in addition to the submission of evidence of changes (planned and emergency) that occurred during a given period and information on possible situations that required the Participant to activate the return plan.

IV. Enforcement

4.1. The duties indicated in the applicable regulation and in this Supervisory Standard, if not met adequately and in a timely manner by the Participants, will be considered as aggravating factors for the application of Enforcement measures established in the BSM Procedural Regulations.

4.2. This Supervisory Standard shall come into effect from February 1, 2024.

Information Security in the Scope of Segregation of Duties

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Introduction

The supervisory standard addresses BSM's supervisory procedures regarding information security within the scope of segregation of duties, considering the current CVM regulations and the standards issued by B3.

Publication History of Standards on the Topic

External Communication	Publication date	Status
BSM-03/2024	January 19, 2024	Current

Supervision Standard on Information Security within the scope of Segregation of Functions

(Published through the Supervisory Standard BSM-03/2024)

BSM Supervisão de Mercados ("BSM"), in the exercise of its functions, issues this supervisory standard ("Supervisory Standard") to address BSM's supervisory procedures regarding information security within the scope of segregation of duties, considering the current regulations of the Brazilian Securities and Exchange Commission ("CVM") and the standards issued by B3 S.A. – Brasil, Bolsa, Balcão ("B3").

Defined terms are in accordance with the BSM Glossary[14] or are defined in this Supervisory Standard.

The Supervisory Standard is divided into 6 (six) sections: (I) Participant Duties; (II) Logical Segregation and Access Management Control; (III) Segregation of Functions Matrix within the Scope of Logical Segregation; (IV) Physical Segregation; (V) BSM's Approach; and (VI) Enforcement.

1. Participant Duties

1.1. It is the Participant's duty, as provided for in CVM Resolution No. 35/2021 ("RCVM 35"), to guarantee the integrity, security and availability of its critical systems, developing and implementing appropriate rules, procedures and internal controls to guarantee the confidentiality, authenticity, integrity and availability of sensitive data and information.

[14] Available at: https://www.bsmsupervisao.com.br/legislacao-e-regulamentacao/leis-normas-e-regras.

1.2. To this end, the Participant must establish rules, procedures and internal controls that are capable of preventing the interests of clients from being harmed as a result of conflicts of interest of employees, third parties and agents.

1.3. The aforementioned rules, procedures and internal controls, within the scope of segregation of duties, must include: (i) the protection of registration information and transactions carried out by the client against unauthorized access or destruction, leakage or tampering; (ii) the granting and administration of individualized access to systems, databases and networks; and (iii) the segregation of data and access control, in order to prevent the risk of unauthorized access, tampering or misuse of information.

1.4. Documentation and evidence relating to compliance with the duties set forth in this Supervisory Standard must be maintained by the Participant under the terms required by regulation.

2. Logical Segregation and Access Management Control

2.1. To ensure Logical Segregation, the Participant must have previously defined access granting control.

2.2. The access granting process must encompass the Participant's entire organization, at all hierarchical levels and across all functions. The process must contain, at a minimum, the following characteristics:

a) Be an individual user and not shared;
b) Be protected by a password or a method with equivalent security;
c) Be granted in a way that avoids conflicts of interest and access inconsistent with the role performed. To this end, the Participant must define, prior to granting access, the

activities relevant to the role performed and the activities that, combined and performed by the same professional in the systems, could generate a conflict of interest, which must be subject to verification;

d) Require the necessary certification to perform the role, in accordance with B3 rules;

e) Assess the user's technical qualifications regarding the access granted;

f) Be approved by the information owner, that is, the person formally designated as responsible for authorizing access to the information; and

g) Be granted only to professionals working for the Participant.

2.3. According to the rule in force on the date of publication of this Supervisory Standard on certification requirements, professionals who do not yet have certification and join the Participant from January 1, 2024 onwards are granted a trial period of 120 (one hundred and twenty) calendar days from their registration with Sincad to obtain the PQO Certification. After the 120 (one hundred and twenty) day period, the Participant must maintain proof of this professional's certification.

2.4. During the period of 120 (one hundred and twenty) days set out above, the Market Relations Director of the Participant to which the professional is linked will be responsible for the acts performed by this professional, without prejudice to the individual responsibility of the professional.

2.5. The Participant must manage the granting, modifications and exclusions of access and keep the history duly filed, in accordance with current regulations.

2.6. In the case of non-nominal users or generic users with active access, the Participant must contain the history that demonstrates the formalization and awareness of the assignment of responsibility by the user, according to the procedure previously defined by the Participant.

2.7. For employees, third parties and agents who are terminated, the Participant must adopt practices that aim to mitigate risks, so that the process of removing access occurs as quickly as possible, and after the termination of this professional, there should be no access to the Participant's systems through this user.

3. Segregation of Functions Matrix within the scope of Logical Segregation

3.1. Prior to granting access, the Participant must maintain a Segregation of Duties Matrix ("Matrix") listing the activities that, when combined and performed by the same professional, may generate conflicts of interest, defining which accesses are permitted according to the role performed by each employee, third party, or agent. Annex I to this Supervisory Standard provides examples of Matrices, which must be adapted, if necessary, to the Participant's specific case.

3.2. The Participant may maintain a system equivalent to the Matrix, as long as it fulfills the same function and is subject to verification.

3.3. The Matrix must contain all critical activities relevant to each function/area performed, containing at least:

a) Inclusion, modification, and cancellation of client orders and offers;
b) Inclusion, allocation, modification, and deletion of client order records (post-trade);
c) Inclusion and maintenance of financial amounts posted to clients' registration accounts (graphical accounts);
d) Transfer of client custody;
e) Inclusion and maintenance of client registration data;
f) Inclusion and modification of client Investment Profiles/questionnaires;
g) Inclusion and modification of parameters that make up client operating limits (post-trade risk);

h) Inclusion and modification of client operating limits (pre-trade risk);
i) Administrative activities of application and trading systems (parameter modification, user management, password blocking and unlocking);
j) Correlation of all areas mentioned in the Matrix with the respective nomenclatures used by the human resources department or equivalent department; k) Activities that, when combined and performed by the same professional in the systems, may generate conflicts of interest, containing at least the following conflicts: (i) transfer of client custody by professionals performing operations activities; (ii) inclusion and modification of pre-operational client limits by professionals performing operations activities; and (iii) updating of bank details by a settlement professional; and
l) Exception procedures to the Head Office, with the step of including a justification for approval of the access granted on an exceptional basis.

3.4. It is up to the Participant to define the Matrix model that best suits their business model. The model used to develop the Matrix must be valid and contain information that is necessary and sufficient for BSM oversight.

3.5. Access permissions determined in the Matrix must be reviewed at least annually, avoiding the granting of undue access and access that diverges from the regulations in force.

3.6. The Director of Internal Controls must issue an annual internal controls assessment report, covering, among other points, an assessment of the logical segregation of functions performed by employees, third parties and agents, including access to sensitive data and information, so that no conflict of interest is materialized.

4. Physical Segregation

4.1. The Participant, considering the volume, nature and complexity of its operations and structure, must adopt methods to ensure the physical segregation of its facilities, with the aim of mitigating situations that give rise to conflicts of interest and access that are at odds with the functions performed.

4.2. The methods must allow the creation and maintenance of a secure and sufficient structure for compliance with this Supervisory Standard, in order to define, restrict, supervise and monitor who are the professionals with access to sensitive information and facilities.

4.3. In this sense, the application of processes is not enough; it is also necessary to prove that the measures imposed are effective, through the adoption of operational procedures, with the aim of:

a) Mitigate the occurrence of irregularities, as provided in current regulations;
b) Promote the functional segregation of the areas responsible for Third-Party Asset Management from other areas that may generate potential conflicts of interest, in order to adequately minimize such conflicts;
c) Ensure the physical segregation of the trading desk from other trading desks belonging to other institutions in the same group and/or financial conglomerate, except in cases where the Participant only operates for these institutions or where, based on the Participant's motivation, there is demonstrably no conflict of interest;
d) Ensure the physical segregation of third-party securities portfolio management activities, including investment clubs, from other order execution activities; and
e) Prohibit the presence of clients, under any circumstances, in the trading desk environment.

4.4. The Participant must implement measures to raise awareness and inform employees, third parties and agents about violations or possible violations of the provisions regarding physical segregation.

5. BSM's Approach

5.1. BSM's supervision and inspection of the duties set out above occurs through its continuous audits and supervision, as per the tests defined in the Test Roadmap.

5.2. During the supervision and inspection of the Participant regarding segregation of duties, BSM verifies compliance with the following situations:

(v) Existence and sufficiency of the Segregation of Duties Matrix, covering, at a minimum, all critical activities listed in this Supervisory Standard, all systems, and all related areas;
(vi) Assessment of the areas and/or functions in the Matrix, verifying the direct relationship or equivalence with the professional areas established by the Human Resources department, cross-referencing the user list with the list of associated professionals;
(vii) Verification of the Matrix, anticipating the conflicts mentioned in item 3.2 of this Supervisory Standard;
(viii) If the Matrix allows for the conflicts mentioned above, analysis of the existence of compensatory controls to monitor users with these conflicting accesses;
(ix) Assessment of the accesses granted to the systems and their compliance with the Segregation of Duties Matrix;
(x) If any exceptions exist, assessment of the accesses and their prior approval and documentation; and
(xi) Measures applied to ensure the physical segregation of areas with potential conflicts of interest.

5.3. Without prejudice to the performance of audits to assess compliance with the regulation and this Supervisory Standard as described above, BSM may require a statement from the Director Responsible for the Market, the Director responsible for compliance with RCVM 35 and the Director responsible for supervising the Participant's internal procedures and controls, in accordance with said standard, attesting to compliance with the obligations regarding segregation of duties, in addition to sending evidence of the existence of the Head Office, logical and physical segregation and the treatment of potential conflicts of interest.

6. Enforcement

6.1. The duties indicated in the applicable regulation and in this Supervisory Standard, if not met adequately and in a timely manner by the Participants, will be considered as aggravating factors for the application of Enforcement measures established in the BSM Procedural Regulation.

6.2. This Supervisory Standard shall come into effect from February 1, 2024.

Information Security

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Introduction

The supervisory standard addresses BSM's supervisory procedures on information security, considering current CVM regulations and standards issued by B3.

Publication History of Standards on the Topic

External Communication	Data de publicação	Status
BSM-04/2024	January 19, 2024	Current

Information Security Supervisory Standard

(Published through the Supervisory Standard BSM-04/2024)

BSM Market Supervision ("BSM"), in the exercise of its functions, issues this supervisory standard ("Supervisory Standard") to address BSM's supervisory procedures on information security, considering the current regulations of the Brazilian Securities and Exchange Commission ("CVM") and the standards issued by B3 S.A. – Brasil, Bolsa, Balcão ("B3").

Defined terms are in accordance with the BSM Glossary[15] or are defined in this Supervisory Standard.

The Supervisory Standard is divided into 6 (six) sections: (I) Participant Duties; (II) Information security and cybersecurity training; (III) Threats and vulnerabilities in the technological environment; (IV) Technical security updates; (V) BSM's Approach; and (VI) Enforcement.

I. I. Participant's Duties

1.1. 1.1. It is the Participant's duty, as provided for in CVM Resolution No. 35/2021 ("RCVM 35"), to ensure the integrity, security and availability of its critical systems, developing and implementing appropriate rules, procedures and internal controls to ensure the confidentiality, authenticity, integrity and availability of sensitive data and information.

[15] Available at: https://www.bsmsupervisao.com.br/legislacao-e-regulamentacao/leis-normas-e-regras.

1.2. RCVM 35 establishes the obligation of the Participant to maintain an information security and cybersecurity policy ("Security Policy"), which must provide for the frequency with which employees, agents and service providers must be trained, the information security procedures and the cybersecurity programs.

1.3. In this sense, the Participant must offer training to qualify employees, agents and service providers, regarding the rules established by the institution ("Information Security and Cybersecurity Training" and/or "Training").

1.4. The Participant must have initiatives aimed at monitoring internal and external threats and vulnerabilities, as well as maintaining and updating technical and security aspects of its infrastructure.

1.5. The Security Policy, information regarding Training and the respective documentation provided for in this Supervision Standard must be maintained by the Participant under the terms required by regulation.

II. Information Security and Cybersecurity Training

2.1. The Participant must implement an awareness program that includes Information Security and Cybersecurity Training for employees, agents and service providers, at least annually.

2.2 Training must contain adherence measures such as: tests, phishing tests and action plans to raise awareness among those who do not achieve the minimum expected result.

2.3 Measuring adherence, the minimum expected result after the Training and the awareness action plan must be included in the Participant Safety Policy, as well as the frequency of these Trainings.

2.4 Training must be applied, at a minimum, to employees, agents and service providers who have access to sensitive data and information[16].

2.5 Furthermore, the Participant may reevaluate the application of the Training when it concludes, in a reasoned manner, that the service providers with access to sensitive data and information have adequate information security and training procedures that are compatible with its policies. The basis for not applying for the Training must be maintained by the Participant under the terms required by the regulation.

III. Threats and Vulnerabilities in the Technological Environment

3.1 The Participant must perform, at least annually, assessments of internal and external threats and vulnerabilities of the computer network and infrastructure of the systems that meet the business needs, including the recording of the actions taken, and the documentation must include at least:

a) the infrastructure being assessed, with the identification, assessment, and prevention of internal and external risks and the adoption of an effective cyber risk control and response structure, ensuring the implementation of general and solid risk management practices; and

[16] Sensitive data or information are those classified as such by the Participant, in accordance with the provisions of the sole paragraph of article 42 of RCVM 35.

b) the treatment, causes, and impacts of the internal and external threats detected.

IV. Technical and Security Updates

4.1 The Participant must adopt procedures for updating the security of operating systems, as well as for carrying out tests in a homologation environment to verify system compatibility before updating in the production environment.

4.2 Procedures must contain a maximum deadline for updates after supplier disclosure. This deadline must not exceed 90 (ninety) days for updates considered critical.

4.3. 4.3. The Participant must perform compatibility checks on security updates on all versions of operating systems used by the Participant in production.

4.4. 4.4. The Participant must adopt security patch update processes. If the Participant believes that the update is not applicable due to the characteristics of their environment, the Participant must formally justify their decision not to install it, in a timely manner, after the update's release date.

V. BSM's Approach

5.1 BSM's supervision and inspection of the duties set out above occurs through its continuous audits and supervisions, as per the tests defined in the Test Plan.

5.2 During the supervision and monitoring of the Participant regarding information security, BSM verifies compliance with the following situations:

a) Implementation of Information Security and Cybersecurity Training, covering at least the provisions of this Supervisory Standard and the current regulations;

b) Mechanisms for assessing internal and external threats and vulnerabilities of the network and system infrastructures that meet business needs, covering at least the provisions of this Supervisory Standard and the current regulations; and

c) Procedures for the Participant's technical and security updates.

5.3 Without prejudice to the performance of audits to assess compliance with the regulation and this Supervisory Standard, BSM may require a statement from the Director Responsible for the Market, the Director responsible for compliance with RCVM 35 and the Director responsible for supervising the Participant's internal procedures and controls, in accordance with said standard, attesting to compliance with information security obligations, in addition to the submission of evidence regarding Training, history of security updates of operating systems occurred during a certain period and the performance of assessments of internal and external threats and vulnerabilities of the computer network and infrastructure of the systems that meet the needs of the business, with the submission of records of the actions taken.

VI. Enforcement

6.1 The duties indicated in the applicable regulation and in this Supervisory Standard, if not met adequately and in a timely manner by the Participants, will be considered as aggravating factors for the application of Enforcement measures established in the BSM Procedural Regulations.

6.2 This Supervisory Standard shall come into effect from February 1,2024.

Capacity Tests in Stress Scenarios

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Introduction

The supervisory standard addresses BSM's supervision and oversight procedures related to Infrastructure Capacity Tests in Stress Scenarios in B3's trading and post-trading environments, considering the current CVM regulations and the standards issued by B3.

Publication History of Standards on the Topic

External Communication	Publication date	Status
BSM-05/2024	January 19, 2024	Current

Supervisory Standard on Infrastructure Capacity Tests in Stress Scenarios

(Published through the Supervisory Standard BSM-05/2024)

BSM Market Supervision ("BSM"), in the exercise of its functions, issues this supervisory standard ("Supervisory Standard") to address BSM's supervision and inspection procedures related to Infrastructure Capacity Tests in Stress Scenarios in the trading and post-trading environments of B3 S.A. – Brasil, Bolsa, Balcão ("B3"), considering the current regulations of the Brazilian Securities and Exchange Commission ("CVM") and the standards issued by B3.

Defined terms are in accordance with the BSM Glossary[17] or are defined in the Supervisory Standard.

This Supervisory Standard is divided into 6 (six) sections: (I) Participant Duties; (II) Infrastructure Capacity Tests in Stress Scenarios for the Trading and Post-Trading Environments; (III) Trading Environment; (IV) Post-Trading Environment; (V) BSM Performance; and (VI) Enforcement.

I. Participant's Duties

1.1. It is the duty of the Participant in organized markets managed by B3 to maintain an information technology structure compatible with the nature, size, complexity, structure, risk profile and model of its business, in order to preserve client service, including during periods of peak demand.

[17] Disponível em: https://www.bsmsupervisao.com.br/legislacao-e-regulamentacao/leis-normas-e-regras.

1.2. In this sense, the technological systems used by the Participants, whether their own or third parties, must be subjected to annual Tests, established in their information security policy, to verify the functioning of the systems in stress scenarios, in order to comply with the provisions of CVM Resolution No. 35/2021 ("RCVM 35") and the B3 Operational Qualification Program Roadmap ("PQO's Standard Rules").

II. Infrastructure Capacity Testing in Stress Scenarios for Trading and Post-Trading Environments

2.1. The Participant must perform infrastructure capacity tests in stress scenarios ("Tests"), at least annually, establishing action plans when situations are identified in which increased demand may make it impossible to process operations.

2.2. The Tests must include, at a minimum, the trading and post-trading infrastructures, as well as those provided by third-party providers, including the B3 Data Center (when managed by the Participant).

2.3. For the Tests to be carried out in a way that achieves the expected results, the Participant must identify the highest volume (historical peak of transactions related to the evaluated indicator) observed in periods prior to carrying out the Tests, add an increment defined by the Participant and then carry out the Test to evaluate the compatibility of its infrastructure in light of this increment.

2.4. For situations involving a significant change in client volume (e.g., acquisition or disposal of client portfolio and corporate transactions), the Participant must document the situation in question and the reason for maintaining or changing the peak considered.

2.5. The Tests carried out by the Participant in the trading and post-trading environment must include, at a minimum, the following criteria:

a) frequency (minimum annual);
b) scope (negotiation environment and/or post-negotiation environment);
c) test environment (application name, version, vendor, hosting, and environment equivalency information, in the case of tests performed in a non-production environment);
d) mandatory indicators; and
e) test results and action plans for any future discussions.

2.6. To assess infrastructure capacity in a stressful scenario in the trading and post-trading environment, Participants must observe and demonstrate the ability to process the mandatory indicators, as listed below. This demonstration must be done through evidence.[18].

2.7. For each mandatory indicator, the Participant must report: (i) the peak information data (date and quantity); (ii) the percentage of increase and the rationale used; (iii) the quantity executed; (iv) the conclusion of the result and, in the case of an unsatisfactory result: (v) the action plan; (vi) the deadline; and (vii) the person responsible..

2.8. If any of the minimum indicators are not applicable to the Participant's scenario, this rationale and justifications must be included in the Test report.

[18] Evidence considered: screenshots, application logs, database queries.

2.9. The Participant must maintain, for a minimum period of 5 (five) years, or for a longer period as expressly determined by CVM or BSM, all required documents and information that demonstrate the execution of the Capacity Tests.

2.10. The Participant may use the Tests performed by the supplier provided that: (i) the tool is the same (including software version); (ii) the tested volume (peak plus increment) is equal to or greater than the volume measured (peak plus increment) by the Participant; (iii) the infrastructure used in the supplier's Test is equal to or less than the Participant's production infrastructure (minimum comparison considering CPU, memory and disk); and (iv) the Participant uses a supplier that has been audited by BSM on the same version of the contracted software.

III. Trading Environment

3.1. Mandatory private data indicators are considered, in the trading environment, within the period of one day:

a) closed trades;
b) sent offers;
c) maximum number of connected clients; and
d) expected internal latency: time interval between the receipt of the order by the Participant and its sending to B3, and between the receipt of order status feedback by the Participant and its sending to the investor.

3.2. For the maximum number of connected clients indicator, the Participant must simulate the simultaneous connection of clients. The simulated scenario must reflect the peak number of simultaneously connected clients, with an increase in clients by a

percentage defined by the Participant, with transactions being executed (e.g., order submission) per minute, repeating the simulation for 10 (ten) consecutive minutes.

3.3. If the tested trading system does not connect directly to clients, using only one connection to receive orders via FIX messaging, the Participant must formalize this situation in the Test documentation and evaluate the indicator of maximum number of connected clients as “not applicable”.

3.4. For other scenarios where the trading system does not connect directly to clients but creates instances of strategies entered by clients, the Participant must test the maximum number of connected clients indicator. In these cases, the Test can be performed in the same way, but using simultaneous strategy creation, with transactions (order submission) instead of simultaneous client connection.

3.5. 3.5. For the expected internal latency indicator, the Participant must determine, at a minimum, the maximum order latency in stress scenarios during the Tests of the indicators for closed trades, sent offers, and maximum number of connected clients. Furthermore, the calculated number must be evaluated and/or compared with an expected latency previously defined by the Participant.

3.6. Mandatory public data indicators are considered, in the trading environment, within the period of one day:

a) twice the number of trades closed by the market;
b) twice the number of market data messages; and
c) twice the peak number of market data messages.

3.7. The numbers of trades and messages that must be doubled for the Test of the indicators related in item 3.5 are published by B3 on its website.

IV. Post-Trading Environment

4.1. 4.1. Mandatory private data indicators are considered (for each type of Participant: PNP - Full Trading Participant, PL - Settlement Participant and ACST - Custody Agent), in the post-trading environment, within the period of one day:

a) captured trades (applicable to: PNP, PL, and ACST);
b) allocated trades (applicable to: PNP and PL);
c) accepted/rejected transfers (applicable to: PNP and PL);
d) reconciliation file processing (applicable to: PNP, PL, and ACST);
e) loan agreements (applicable to: PNP and PL); and
f) early settlement of loan agreements (applicable to: PNP, PL, and ACST).

4.2. The Participant is responsible for building the environment for conducting the Tests, as well as its injectors. It will not be possible to use the certification environment for conducting the Tests, given that its nature is functional and not capacity-based.

V. BSM's Approach

5.1. BSM's supervision and oversight of the duties set out above occurs through its continuous audits and supervisions, as per tests defined in its Test Plan.

5.2. 5.2. During the supervision and monitoring of the Participant regarding the Stress Tests in the trading and post-trading environments, BSM verifies compliance with the performance of the Infrastructure Capacity Tests in stress scenarios, contemplating the minimum criteria and indicators established in this Supervisory Standard.

5.3. Without prejudice to the performance of audits to assess compliance with the regulation and this Supervisory Standard as described above, BSM may require a statement from the Director Responsible for the Market, the Director responsible for compliance with RCVM 35 and the Director responsible for supervising the Participant's internal procedures and controls, under RCVM 35, attesting to compliance with the obligations regarding the Tests performed in the trading and post-trading environments, in addition to the submission of evidence in relation to the Tests performed and the necessary action plans formulated by the Participant as a result of the Tests.

VI. Enforcement

6.1. The duties indicated in the applicable regulation and in this Supervisory Standard, if not met adequately and in a timely manner by the Participant, will be considered as aggravating factors for the application of Enforcement measures established in the BSM Procedural Regulation.

6.2. This Supervisory Standard shall come into effect from February 1, 2024.

Failure to Deliver Assets to the Stock Market

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Introduction

The supervisory standard deals with the supervisory procedures carried out by BSM in the Participants regarding the information transmitted to clients about (i) risks of delivery failure in asset purchase and sale transactions and (ii) mechanisms to ensure the settlement of assets in the Stock Exchange market.

Publication History of Standards on the Topic

External Communication	Publication date	Status
BSM-09/2024	April 22, 2024	Current
BSM-27/2023	May 16, 2023	Revoked

Supervisory Standard on Failure to Deliver Assets in the Stock Market

(Published through the BSM Supervisory Standard BSM-09/2024)

BSM Market Supervision ("BSM"), in the exercise of its functions, issues this update to the supervisory standard ("Supervisory Standard"), repealing the previous standard on the subject, published through External Communication BSM-27/2023, on December 11, 2023, which addresses the supervisory procedures carried out by BSM in Participants, regarding the information transmitted to clients about (i) risks of delivery failure in purchase and sale transactions of assets and (ii) mechanisms to ensure the settlement of assets in the stock exchange market, in line with the provisions of the regulations of the Brazilian Securities and Exchange Commission ("CVM"), in particular in CVM Resolution No. 35/2021 ("RCVM 35"), and in the standards issued by B3 S.A. – Brasil, Bolsa, Balcão ("B3").

Defined terms are in accordance with the BSM Glossary[19] or are defined in this Supervisory Standard.

The Supervisory Standard is divided into four sections: (I) Communication and transparency of information transmitted by Participants to clients; (II) Maintenance of files and information; (III) Eligibility for Reimbursement by the MRP; and (IV) Enforcement.

I. Communication and transparency of information by Participants to clients

1.1. Duties:

[19] Available at: https://www.bsmsupervisao.com.br/legislacao-e-regulamentacao/leis-normas-e-regras.

1.1.1. RCVM 35 determines that the intermediary establishes rules, procedures and internal controls on the execution of orders, in order to ensure that its clients are duly informed about the status of the operations carried out.

1.1.2. RCVM 35 also establishes that intermediaries must provide their clients with information and documents related to transactions carried out in the manner and within the timeframes established in their internal rules. Similarly, B3 rules establish that Participants must report the procedures adopted regarding the settlement of transactions.

1.1.3. The procedures for resolving failures in the delivery of assets, in the settlement cycle, are set out in the B3 Chamber Regulations and in the B3 Chamber Operating Procedures Manual.

1.1.4. The form in which the Participant complies with the rules contained in this Supervisory Standard must be set out in its Operating Rules and Parameters ("RPA") or Operating Standards and Parameters ("NPA").

1.1.5. These documents must contain information on the procedure to be adopted in cases of failure to deliver assets on the Stock Exchange market, in order to avoid cascading failure events for its clients, in addition to ensuring awareness of the risks of non-delivery of the asset traded during the settlement cycle.

1.1.6. Therefore, it is the duty of Participants to communicate to their clients about the events of failure to deliver assets, as set out in items 1.1.1, 1.1.2, 1.1.3, 1.1.4 and 1.1.5 of this Supervisory Standard.

1.1.7. Said communication may not be limited, especially for individual investors, to entries and reversals in the registration account statement, and must cover at least:

(i) Daily and, if necessary, immediate notifications to the client about the occurrence of asset delivery failures and the status of the failure handling process until its completion. This notification must be specific, clear, and continuous throughout the failure handling process, so that the client can identify the transaction to which the event refers, including at least the asset, quantity, trading code, and date;

(ii) Provision of Participant service channels capable of adequately informing clients of the stages of the asset delivery failure handling process until its completion; and

(iii) Notice of the need or possibility of client action, establishing deadlines for such action.

1.1.8. The notifications mentioned in item 1.1.7 must contain, as applicable:

(i) The procedure for attempting to address a failure through a compulsory loan and asset repurchase;
(ii) When the repurchase process may begin;
(iii) Information regarding the possibility of regularizing the settlement before initiating the repurchase process;
(iv) Informing the buyer of the consequences of opening a larger position than desired if the client repurchases assets that are undergoing a failure repurchase process;
(v) Inquiry about the creditor's interest in receiving the asset after the failure, establishing a deadline for a response;
(vi) Indication of the client's creditor and/or debtor status;
(vii) Amounts to be credited and/or debited and/or reversed, indicating the times of the entries and whether the client should maintain available funds in the account to avoid margin calls, fines for outstanding balances, and/or compulsory liquidation; (viii) Impact on the margin amount, so that the debtor client knows that their default position

will be considered in the risk calculation for purposes of updating the required margin, in accordance with the criteria established in the Clearinghouse's Operating Procedures Manual;

(ix) Effective delivery of the asset and receipt of the asset in custody upon completion of the default processing process; and

(x) Submission of the calculation report of the amounts credited and debited as a result of the default delivery procedure, including fines.

1.2. Supervision:

1.2.1. BSM will verify, in its supervision and inspection procedures, compliance with the communication requirements set forth in this Supervision Standard, by analyzing (i) the content of the latest version of the RPA/NPA; (ii) the content of the notifications that the Participant sends to its clients; (iii) the timeliness of the notifications sent; and (iv) the records of the services provided to clients.

1.2.2. The duty to communicate applies to all Participants and all their clients. However, the Participant may adopt different methods of complying with communication requirements between different types of clients, which must be formally established in the Participant's RPA/NPA. It should be clarified here that the communication details described in items 1.1.7 and 1.1.8 above apply fully to retail clients.

II. Maintenance of historical information:

2.1. Duties:

2.1.1. It is up to the Participants:

(i) Maintain the documents, logs, information, and records mentioned in this Supervisory Standard for a minimum period of 5 (five) years or longer, if so provided in the applicable regulations; and
(ii) Submit the documents mentioned in this Supervisory Standard to BSM, as part of the supervision and inspection routines, MRP Processes instruction and/or, at any time, upon request from BSM for any investigation of a Complaint or identified irregularity as provided in the BSM Procedural Regulations.

2.1.2. The duties indicated in the applicable regulations and in this Supervisory Standard, if not fulfilled adequately and in a timely manner by the Participants, may even give rise to Enforcement measures, as set out in the BSM Procedural Regulations.

2.2. Supervision:

2.2.1. BSM will verify in its supervision and inspection procedures compliance with the communication obligation set out in this Supervision Standard and the obligation to keep files and information related to these events.

III. Eligibility for Reimbursement by MRP

3.1. The Loss Compensation Mechanism (“MRP”) has the specific purpose of compensating investors for losses resulting from the action or omission of Participants, or their administrators, employees or agents, in relation to the intermediation of transactions carried out on the stock exchange or the inherent custody services, under the terms of CVM Resolution No. 135, of June 10, 2022 (“RCVM 135”) and the MRP Regulation..

3.2. In this sense, losses suffered by investors as a result of non-compliance with the provisions of this Supervisory Standard, especially item 1.1.7, are subject to compensation by the MRP.

3.3. The absence, untimeliness, inconsistency or incompleteness of information on the procedure for handling asset delivery failure will be considered non-compliance with the provisions of items 1.1.7 and 1.1.8 of this Supervisory Standard, including when resulting from the service provided by the Participant's service channels, by representatives or by investment advisors.

IV. Enforcement

4.1. Participants that fail to comply with the duty to communicate information to clients about the failure to deliver assets on the Stock Exchange market in a specific, clear and phased manner, under the terms of this Supervisory Standard, will be subject to Enforcement measures, as set out in the BSM Procedural Regulations.

This Supervisory Standard shall come into effect on the first business day following its publication by BSM.

Investment Advisors

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Introduction

The supervisory standard addresses the obligations related to the Investment Advisor activity and the supervision and inspection procedures adopted by BSM in relation to the Participants and Investment Advisors linked to them, considering the current regulations of CVM and B3.

Publication History of Standards on the Topic

External Communication	Publication date	Status
BSM-14/2024	June 6, 2024	Current
BSM-30/2023	December 12, 2023	Revoked

Supervisory Standard for Investment Advisors

(Published through External Communication BSM-14/2024)

BSM Supervisão de Mercados ("BSM"), in the exercise of its functions, issues this update of the supervisory standard ("Supervisory Standard") that addresses the obligations related to the activity of Investment Advisor and the supervision and inspection procedures adopted by BSM in relation to the Participants and Investment Advisors linked to them, considering the current regulations of the Brazilian Securities and Exchange Commission ("CVM") and B3 S.A. – Bolsa, Brasil, Balcão ("B3").

Defined terms are in accordance with the BSM Glossary[20] or are defined in this Supervisory Standard.

The Supervisory Standard is divided into 12 (twelve) sections: (I) Authorization and corporate aspects; (II) Contractual relationship; (III) Responsible Director of Investment Advisors; (IV) Exercise of complementary activities; (V) Compliance with Participants' policies, rules and procedures; (VI) Confidentiality of information; (VII) Informational duties; (VIII) Advertising materials; (IX) Monitoring of the Investment Advisor by the Participant; (X) Communication of indications of violation; (XI) Registration and storage of orders and (XII) Enforcement.

The obligations of Participants and their related Investment Advisors are addressed jointly in these sections, considering the complementarity inherent in the roles and activities performed.

[20] Available at: https://www.bsmsupervisao.com.br/legislacao-e-regulamentacao/leis-normas-e-regras.

I. Authorization and corporate aspects

A. Duties

1.1 The Investment Advisor may act as a natural or legal person registered in accordance with CVM Resolution No. 178/2023 ("RCVM 178") to carry out, under the responsibility and as a Participant's agent, the activities of (a) prospecting and attracting clients; (b) receiving, registering and transmitting orders; and (c) providing information on the products and services offered by the Participants to which it is linked.

1.2 An Investment Advisor who is a natural person is permitted to hold an equity interest in more than one Investment Advisor who is a legal entity, and is prohibited from carrying out Investment Advisor activities simultaneously in more than one company.

1.3 In this case, the Investment Advisor, a natural person, must choose to carry out activities in one of the companies, and must formally communicate his decision to the companies involved and to the Participants with whom said companies have a contractual relationship, given his status as agent.

1.4 As disclosed by Circular Letter No. 2/2024/CVM/SMI, the accrediting entity authorized by the CVM has a tool that allows an individual Investment Advisor to report that he or she has ceased to act on behalf of a legal entity Investment Advisor of which he or she is a partner. From the moment an individual Investment Advisor ceases to be listed as an active partner in the registration of said legal entity Investment Advisor, he or she may become associated with and act as an Investment Advisor through another company, as a partner, contractor, or employee.

1.5 Upon being notified, the accrediting entity will forward the information to the company and the contracting Participant and will wait 3 (three) business days to confirm the change in the status of the Investment Advisor (natural person) to a non-active partner. This period allows the company and the Participant to, if they have not already done so, terminate any access that the Investment Advisor may have to their systems.

1.6 Current regulations also permit the existence of equity partners, including regulated agents. Companies must have adequate governance and controls to ensure that Investment Advisor activities are not carried out by partners not registered as such, as well as to prevent conflicts of interest in relation to these activities. It is necessary to ensure that equity partners do not participate in the core business of the Investment Advisor company, nor do they access confidential data of clients and contracting Participants.

1.7 Cross-shareholdings are an important indicator of potential conflicts, requiring greater control and more rigorous assessment and monitoring by the Participant.

B. BSM's Approach

1.8 BSM, in its inspection and supervision activities, may verify:

(a) the adequacy of the corporate purpose of the Investment Advisor, a legal entity, by requesting its articles of association and any amendments thereto;
(b) whether the Investment Advisor, both an individual and a legal entity, linked to the Participant, is authorized to carry out the activities;
(c) whether the Investment Advisor, an individual, simultaneously acts as a partner,

employee, or contractor of more than one Investment Advisor, a legal entity;
(d) whether the Investment Advisor, an individual, simultaneously acts as an Advisor and as a partner, employee, or contractor of a Participant or a legal entity;
(e) in the case of cross-ownership interests, the existence and effectiveness of controls to ensure that the Investment Advisor's activities are not carried out by partners not registered as such, as well as to prevent conflicts of interest in relation to the activities.

II. Contractual relationship

A. Duties

2.1 The exercise of the activity of Investment Advisor presupposes the execution of a written contract with one or more Participants. There is, however, no restriction on the possibility of hiring an Investment Advisor on an exclusive basis, by free agreement between the Participant and the Investment Advisor.

2.2 Incidentally, RCVM 178 introduces additional obligations arising from non-exclusive relationships, which must be met even in cases where exclusivity exists in relation to certain services and products, such as the distribution of investment fund shares, among others. The provision in the previous regulation (RCVM 16) that allowed an Investment Advisor to be non-exclusive only for the distribution of investment fund shares has been revoked.

2.3 In any scenario, the Investment Advisor is prohibited from acting as an agent for a Participant with whom he does not have a contract to provide services.

2.4 It is the duty of the Participant and the Investment Advisor to keep said contracts on file, even if they are no longer in force, for the minimum period of 5 (five) years established in RCVM 178.

2.5 As an obligation attached to the contract, the Participant is obligated to continually verify the regularity of the registration and accreditation of the Investment Advisor hired by it, in order to prevent these activities from being carried out by unauthorized People. The Participant must consult the list of individuals disqualified or suspended due to penalties imposed under administrative proceedings by the CVM or BSM.[21].

2.6 In the event of the Investment Advisor's disqualification, the Participant must terminate the employment or contractual relationship as soon as he or she becomes aware of said disqualification.

2.7 Considering the possibility of acting without exclusivity and the fact that the Investment Advisor acts on behalf of and under the responsibility of the contracting Participant, the Investment Advisor, either by itself or through the Responsible Director of the Investment Advisor of the legal entity (“Responsible Director”), as the case may be, must communicate, within 5 (five) business days, to the Participants with whom it has a contract about the establishment of a relationship with a different Participant.

[21] https://www.gov.br/cvm/pt-br/assuntos/protecao/afastamentos-impedimentos-temporarios/afastamentos-penalidades-temporarias
https://www.bsmsupervisao.com.br/Noticias/participantes-agentes-autonomos-e-operadores-inabilitados-ou-suspensos

2.8 The Participant, in turn, must establish a continuous monitoring process, which allows for the timely and effective verification that a given Investment Advisor has linked itself to a different Participant.

2.9 The Participant must also keep the list of Investment Advisors it hired updated on its website and with the accrediting entity. This list must include Investment Advisors who are natural parties who act through a legal entity, whether they are partners, employees or contractors.

2.10 Upon termination of the contractual relationship, the Investment Advisor must immediately stop accessing the internal systems of the Participant with whom he or she no longer has a relationship, as well as stop using an email address with the domain of said Participant, when applicable.

2.11 2.11 The Participant, in turn, must immediately block the Investment Advisor's access to its internal systems and to the email address assigned to it, when applicable. Furthermore, the Participant must update the list of Investment Advisors hired by it published on its website within 5 (five) business days from the corresponding change, as determined by RCVM 178.

B. BSM's Approach

2.12 BSM, in its supervision and inspection activities, may request a copy of service provision contracts to prove the relationship between the Participant and the Investment Advisor.

2.13 BSM may also: (a) verify compliance with the Participant's obligation to disclose the list of Investment Advisors hired by it, which must include Investment Advisors who are natural People who act through a legal entity hired by the Participant, whether they are partners, employees or contractors; (b) request the articles of association and respective amendments of the Investment Advisor who is a legal entity, in order to verify whether all identified partners are described in the list of Investment Advisors made available by the Participant on its website.

2.14 Additionally, BSM may verify whether the Participant has processes and controls that allow for the timely and effective verification of the regularity of the registration and accreditation of the Investment Advisors hired by it, as well as whether a given Investment Advisor has been linked to a different Participant.

III. Responsible Director of the Investment Advisor

3.1 Every company that wishes to be accredited as an Investment Advisor must appoint a Responsible Director, who will be responsible for acting as a focal point between the Investment Advisor and the CVM, BSM and the accrediting entity.

3.2 The appointed Responsible Director must be a duly accredited individual registered with the CVM as an Investment Advisor. From a corporate perspective, this person is not required to be included in the articles of association, but must be a director, partner, or administrator of the company. The accrediting entity and the Participants for whom the company was hired must be notified of their appointment or replacement within 7 (seven) business days from the date of their appointment or replacement.

3.3 The Chief Executive Officer may perform Investment Advisory duties within the company, but such duties must not conflict with the duties under the Director's responsibility. If the Chief Executive Officer performs this role for more than one legal entity Investment Advisor, he or she may not simultaneously act as an Investment Advisor.

3.4 The Responsible Director's responsibilities include providing all information required by current legislation and regulations and responding to requests for information made by CVM and BSM.

3.5 The Responsible Director is also responsible for verifying the compatibility between the policies, rules, procedures, and internal controls of the different Participants with which the Investment Advisory firm maintains a relationship, as set forth in item 5.3 of this Supervisory Standard. This verification must be carried out at the time of the contract execution and throughout the term of the contract with the Participant, whenever these policies and rules are updated.

3.6 The Responsible Director has the obligation to act jointly with the Participant in the supervision of the Investment Advisor, mentioned in Section IX, to:

(a) verify compliance with current regulations and the policies, rules, procedures, and internal controls applicable to the Investment Advisor, an individual acting as a partner, employee, or contractor;
(b) prevent the exercise of Investment Advisor activities, as defined in current regulations, by unregistered and unaccredited individuals; and
(c) preserve the confidentiality of client data and information among the Participants contracting the Investment Advisor.

3.7 It is the responsibility of the Participant and the Responsible Director to demonstrate their diligence in their duty to supervise and the existence and effectiveness of the procedures and controls of both the Participant and the Investment Advisor to prevent irregularities and mitigate non-conformities.

IV. Exercise of complementary activities

A. Duties

4.1 Under RCVM 178, the Investment Advisor, whether a natural or legal person, is permitted to carry out complementary activities related to the financial, capital, insurance, pension and capitalization markets, provided that applicable legislation and regulations are observed and that they do not conflict with the activities of the Investment Advisor.

4.2 RCVM 178 does not exhaust the possible conflicts, but, to provide greater clarity and legal certainty, it exemplifies the activities of portfolio management, consulting, and securities analysis as conflicting with the activities of an Investment Advisor. These activities cannot be performed concurrently by the Investment Advisor, not even under a segregation of activities regime.

4.3 4.3 In order to mitigate the risks of conduct that is harmful to investors and market integrity, and considering the relationship of preposition existing between the Investment Advisor and the Participant, the performance of complementary activities must be communicated by the Investment Advisor to the Participant that hired them.

4.4 4.4 In this case, the Investment Advisor and the Participant that hired the Advisor must maintain appropriate governance and controls to mitigate potential conflicts of interest arising from the engagement in complementary activities. Transparency must also be ensured, so that it is clear to the clients served by the Investment Advisor that these activities are subject to different rules and regulations and are not to be confused with the Investment Advisor activities described in RCVM 178.

B. BSM's Approach

4.5 BSM, in its supervision and oversight activities, may verify the existence and effectiveness of the governance and controls adopted by the Investment Advisor and the Participant aimed at mitigating potential conflicts of interest arising from the Investment Advisor's performance in complementary activities.

V. Compliance with Participants' policies, rules and procedures

A. Duties

5.1 O Assessor de Investimento atua como preposto e sob a responsabilidade do Participante, o qual responde, perante os clientes e quaisquer terceiros, pelos atos praticados pelo Assessor de Investimento contratado.

5.2 The Participant must provide the hired Investment Advisor with the policies, rules, procedures, and internal controls it has adopted. Under RCVM 178, these documents must establish the means for identifying and mitigating conflicts of interest.

Furthermore, these documents and their updates must be made transparent by posting them on the Participant's website.

5.3 In the event of a relationship with more than one Participant, the Investment Advisor must verify the existence of any conflicts between the rules, policies, procedures, and internal controls of the Participants. This verification must be carried out both when entering into a contract with new Participants and when updating the rules, policies, procedures, and internal controls of the Participant with whom it already has a contract.

5.4 If any conflict is identified, the Investment Advisor must inform the contracting Participants in writing and obtain their agreement on the rules, policies, procedures, and internal controls to be observed. The commencement or continuation of the provision of services shall be prohibited until such agreement is obtained. According to current regulations, the policies, rules, procedures, and internal controls of the Participants are in conflict with each other when the fulfillment of an obligation required by one Participant necessarily implies non-fulfillment of an obligation required by another.

5.5 To enable compliance with this obligation, the Participant must formally notify the Investment Advisor whenever there is an update to the institution's rules, policies, procedures and internal controls, keeping a record of this communication..

5.6 Without prejudice to this obligation of the Participant, the Responsible Director must establish internal procedures for periodic monitoring of any changes in the rules, policies, procedures, and internal controls of the Participants with whom the company has a relationship, keeping evidence of compliance with this due diligence. The internal

procedures implemented by the Responsible Director must be monitored by the Participant to whom he or she is linked.

5.7 Additionally, the Investment Advisor, as an agent and person linked to the Participant that hired them, must follow the personal investment policy and conduct his business with securities through that Participant.

5.8 In the event of a relationship with more than one Participant, the Investment Adviser must select only one of the Participants with whom it has a relationship to exclusively trade securities on its behalf, pursuant to CVM Resolution No. 35/2021 ("RCVM 35") and BSM Supervisory Standard No. 06/2023. In the exceptional cases provided for therein, RCVM 35 allows people linked to the intermediary to trade through an intermediary to which they are not linked. It is the Participant to whom the person is currently linked to maintain control over the application of these exceptions. For the exceptions provided for in items II and III of §1 of article 25 of RCVM 35, the specific formal contract provided for in the case of item IV of the same article of RCVM 35 is not required.

5.9 Also in this regard, in the case of a legal entity Investment Advisor linked to more than one intermediary, the company's partners, employees and contractors must operate through the same intermediary.

5.10 It is the responsibility of the Investment Advisor, either directly or through the Responsible Director, to inform the Participants with whom it has a contract of the Participant chosen to carry out transactions. The Participant chosen by the Investment Advisor to carry out its personal transactions must, in turn, inform BSM, which will be

exclusively responsible for executing the personal business of the non-exclusive Investment Advisor.

5.11 Additionally, and for the purposes of monitoring the operations of people linked to BSM, the Participant must submit to BSM, through the BSM Portal, the list of non-exclusive Investment Advisors hired by it, under the terms defined in the BSM File and Track Layout Manual[22].

B. BSM's Approach

5.12 BSM, in its supervision and inspection activity, may verify:

(a) whether the policies, rules, procedures, and internal controls adopted by the Participant establish ways to identify and mitigate conflicts of interest related to the Investment Advisor's activities;
(b) whether these documents and their updates are transparent, through their publication on the Participant's website;
(c) whether the Investment Advisor complied with the obligation to previously verify the existence of potential conflicts between the rules, policies, procedures, and internal controls of the contracting Participants;
(d) if a conflict is identified, whether the contracting Participants were notified and their agreement was obtained regarding the rules, policies, procedures, and internal controls to be followed;
(e) whether the obligations related to securities trading by the Investment Advisor, on their own behalf (personal investments), as a person related to more than one Participant, were observed.

[22] Available at: https://www.bsmsupervisao.com.br/Noticias/Manuais.

VI. Confidentiality of information

A. Duties

6.1 The Investment Advisor must ensure the confidentiality of confidential information to which it has access, in particular, information on clients and their business dealings between the contracting Participants.

6.2 In order to ensure compliance with this obligation, the Investment Advisor linked to more than one Participant must maintain an adequate internal structure and systems and processes that allow the segregation of information and personal data of clients of different Participants.

B. BSM's Approach

6.3 6.3 BSM, in its supervision and inspection activities, may verify the segregation, by the Investment Advisor, of the information and personal data of clients of different Participants.

VII. Informational duties

VII.1. Suitability

7.1 The Investment Advisor, as the Participant's representative, must follow its suitability policies and may recommend to clients served by it only the products and services made available by the Participant to that client's profile, as assessed by the Participant himself, in accordance with RCVM 30.

7.2 7.2 In the event of a relationship with more than one Participant, the Investment Advisor must previously identify to the client which Participant they are acting on behalf of and follow that Participant's suitability policy. In this regard, the Investment Advisor must have controls in place that allow them to follow each Participant's specific suitability policy at the time of the recommendation, without prejudice to the Participant's responsibility to verify that the hired Investment Advisor has effective internal controls and structure for this purpose.

VII.2. Remuneration

7.3 7.3 The Investment Advisor, whenever requested by the client, is obliged to describe how he or she is compensated for the products offered and services provided on behalf of the Participant for whom he or she was hired. This information must include the amounts or percentages actually charged and all forms and arrangements of compensation, including any advances made by the Participant, which have been or will be received, directly or indirectly, provided they are related to the client's transactions.

7.4 7.4 The Investment Advisor must keep on file and subject to verification by BSM, for the period established in the regulations in force, the documents proving compliance with this obligation.

VII.3. Termo de Ciência

7.5 When registering clients introduced by an Investment Advisor, it is the Participant's obligation to ask said clients to sign an acknowledgement form.

7.6 The acknowledgment term must be drafted in clear and accessible language, and the Participant may adapt such document to their operating model, if the premise of minimum content provided for in RCVM 178 is respected.

7.7 The Participant is prohibited from executing client orders directed by the Investment Advisor without prior signature of the acknowledgment form. This prohibition does not apply to orders intended to close positions or comply with a court order.

7.8 In order to ensure compliance with this obligation, the Participant must implement internal procedures and controls that enable the timely blocking of the execution of any orders directed by the Investment Advisor on behalf of a client who has not signed the acknowledgment form, respecting the exceptions mentioned above.

7.9 The Participant must keep at the disposal of BSM, for the period established in RCVM 178, the term of acknowledgment signed by the client served by the Investment Advisor.

VII.4. Transition between Participants

7.10 The Investment Advisor's link to a new Participant may be associated with incentives to the Investment Advisor that may not be aligned with the interests of investors.

7.11 In this sense, the Investment Advisor must communicate to the investor the existence of any incentives, so that the investor is able to make an informed and considered decision regarding products and services that may be offered to them in this context.

7.12 When the Investment Advisor begins acting on behalf of a new Participant and, within the first 30 (thirty) days of the new agreement, offers products and services of that new Participant to clients with whom it already has a relationship, it must inform such clients that the offering of such products and services is within the scope of this new agreement. This information must be accompanied by a specific warning about potential conflicts of interest to which the Investment Advisor may be subject due to the execution of the new agreement.

7.13 Compliance with this obligation applies to situations in which the previous contract remains in force and the Investment Advisor's activities are non-exclusive, as well as when the previous contract has been terminated less than 30 (thirty) days before the start of the contract with the new Participant.

7.14 RCVM 178 does not require the Investment Advisor to actively seek out clients it serves to inform them of its contract with a new Participant. This due diligence is required only in the event of offering products and services from the new Participant.

7.15 Even in cases where the offer of products and services has resulted from contact by the client himself, without the Investment Advisor having taken any initiative in this

regard, information about the transition is required as a way of ensuring transparency and a better-informed decision on the part of the investor.

7.16 Both the Investment Advisor and the new contracting Participant are responsible for complying with this obligation and must document their compliance.

B. BSM's Approach

7.17 BSM, in its supervision and inspection activities, may verify whether the Participant's suitability policies were followed by the Investment Advisor when recommending products and services made available by the Participant to clients served by it..

7.18 BSM will also verify whether the client of the Participant served by the Investment Advisor has signed the acknowledgment form and whether the minimum content required by RCVM 178 is reflected in said document. If the acknowledgment form has not been signed by the client, BSM will verify the steps taken by the Participant to comply with this obligation, as well as whether orders directed by the Investment Advisor on behalf of the client in question have not been executed.

7.19 BSM will also verify the existence of internal procedures and controls that allow the timely blocking of the execution of any orders directed by the Investment Advisor on behalf of a client who has not signed the acknowledgment form.

VIII. Advertising materials

A. Duties

8.1 RCVM 178 does not require the Participant to approve the advertising materials used by the Investment Advisor to promote products and services. This requirement, however, may be regulated contractually if the Participant deems it appropriate. Any lack of prior approval by the Participant, however, does not exempt the Participant from liability for acts performed by the Investment Advisor, under RCVM 178.

8.2 Additionally, RCVM 178 does not require the Investment Advisor to prepare specific and separate material for each Participant for which it has been hired. If the Investment Advisor uses advertising material to present specific products of a Participant, such material must contain only reference to the Participant in question, so as not to create doubt as to which Participant the information refers to.

8.3 The Investment Advisor who adopts logos, or has another distinctive sign of his own or of the legal entity of which he is a partner, must do so accompanied by the identification of the Participant on whose behalf he is acting, with, at least, equal prominence.

8.4 Circular Letter 2/2024 CVM/SMI clarifies that the logos of the Investment Advisor and the Participant are not required to be the same size or dimension. The CVM reinforces that the objective is to ensure that the intermediary's logo is not hidden or relegated to a less prominent position, preserving the immediate and clear verification of the connection between the Investment Advisor and the Participant in the Investment Advisors' advertising materials, for the benefit of the investor.

B. BSM's Approach

8.5 BSM, in its supervision and inspection activities, may verify whether the advertising materials, its own website, brochures and any other material used by the Investment Advisor have an express reference to the Participant as the contracting party, identification of the Investment Advisor as the contractor and whether they present the contact details of the Participant's ombudsman.

8.6 In addition, BSM may verify that the Investment Advisor linked to more than one Participant does not refer to products, communication channels and other information of the Participants for which he/she has been hired, in a way that raises doubts about which Participant the information presented refers to.

IX. Monitoring of the Investment Advisor by the Participant

9.1 RCVM 178 establishes the Participant's liability for the acts performed by the Investment Advisor hired by him, as his agent. In this sense, RCVM 178 explicitly imposes on Participants the duty to extend to the Investment Advisor hired the policies, rules, procedures and internal controls adopted by him.

9.2 Said Resolution also expresses the Participant's duty to monitor the activities of the Investment Advisor hired by him, continuously, throughout the entire term of the contract, regardless of whether the relationship is exclusive or not and whether there is client acquisition, reception and transmission of orders, recommendations of products or services or any other events related to the activities of the Investment Advisor for which he was hired.

9.3 This oversight duty is limited to the Investment Advisor's performance as an agent of the Participant, so that, in a non-exclusive scenario, each Participant is responsible for overseeing the performance of the Investment Advisor while the latter is acting as their agent.

9.4 The Participant's oversight mechanisms over the Investment Adviser must be set out in the rules, policies and controls adopted by the Adviser and must include, at a minimum:

(a) monitoring client transactions, including periodic contact, using a risk-based approach;

(b) monitoring transactions held by Investment Advisors themselves, to which the same rules and procedures applicable to related parties must apply, as per current regulations and Supervisory Standard No. 06/2023; and

(c) verifying system data that allows for the identification of the origin of orders issued electronically, evidence of improper use of access methods, and irregular management of client portfolios.

9.5 The Participant must include in its policies, rules, procedures, and internal controls the means for identifying and managing conflicts of interest. In this regard, the Participant must establish an ongoing monitoring process to determine whether the Investment Advisor, during the course of the relationship with the Participant, has become involved in any conflict of interest, especially in relation to other regulated activities.

9.6 This duty of supervision over the Investment Advisor's activities by the Participant should not be limited to verifying compliance with specific acts of client acquisition, offering products and services or transmitting orders, but should also encompass the continuous verification of the Investment Advisor's ability to comply with the regulations as a whole, including with regard to preserving the confidentiality of information to which the Investment Advisor has access among the contracting Participants, in the event of non-exclusivity.

9.7 The Participant hiring an Investment Advisor is obliged to take all reasonable care to verify the origin of orders issued on behalf of clients, in accordance with RCVM 35. To this end, it is recommended that the Participant identify the IP address of origin of orders via home broker, comparing it with the IP address used by the Investment Advisor serving the client, in accordance with BSM Guidance Note 18/2022[23], which provides guidance on monitoring the origin of the registration of orders and transactions.

9.8 Furthermore, the Participant is expected to implement internal controls capable of monitoring the offers and transactions of clients served by Investment Advisors, regardless of their submission and execution method, to identify changes in the clients' operational patterns that may constitute signs of irregularities. If signs of irregularity are identified, the Participant must confirm with the client the authorship of the orders.

9.9 Additionally, the Participant must present, whenever requested by BSM, the list of clients served by the Investment Advisors hired by him, as defined in the BSM File and Track Layout Manual.

9.10 The Participant must appoint a director responsible for implementing and fulfilling the obligations and duties set forth in RCVM 178, such as extending the

[23] Available at: https://www.bsmsupervisao.com.br/publicacoes-e-eventos/interpretacoes-da-bsm

policies, rules, procedures, and controls adopted by the Participant to the Investment Advisor, including their updates; overseeing the Investment Advisor; and reporting to the CVM and BSM any signs of irregularities in the performance of hired Investment Advisors. The Director appointed by the Participant, responsible for compliance with RCVM 178, is not to be confused with the Responsible Director of the legal entity Investment Advisor. The Participant is responsible for identifying the appointed Director and providing their contact information on their website.

X. Reporting of evidence of infringement

10.1 The Participant and the Investment Advisor are obliged to report to BSM any conduct that may constitute an indication of a violation of the rules issued by CVM and B3, which are the responsibility of BSM to monitor, as well as this Supervisory Standard, keeping a record of the evidence found and the steps taken.

10.2 In compliance with this obligation, the Participant must prepare a report indicating the irregularities identified, with due identification of the Investment Advisor, description of the conduct, any measures adopted and penalties applied, including mitigating and aggravating factors considered, among other information considered relevant by the Participant.

10.3 This report must be shared with BSM, through the BSM Portal, on a quarterly basis, by the 10th business day of the beginning of each quarter, according to the model suggested below.

Date of appointment	Investment Advisor Company Data		Individual Investment Advisor Data		Description of conduct	Measures adopted by the institution	Possible mitigating and aggravating circumstances considered	Penalties applied
	Name	CNPJ	Name	CPF				

XI. Registration and storage of orders

11.1 For the reception and recording of orders and transmission of orders to the trading systems, a complete voice recording, messaging and e-mail system must be implemented to receive orders sent by clients served by the Investment Advisor, as well as backup controls[24] for the recovery of historical data, which are evaluated by BSM in its supervision process.

11.2 RCVM 35 establishes that the Participant is responsible for maintaining an order recording system. Therefore, in cases where proof of order is not presented, the Participant will be held jointly liable with the Investment Advisor and its Responsible Director for non-compliance with the regulations in force.

11.3 11.3 For orders sent via push, the Participant is responsible for ensuring the registration of the origin of these orders and the tracking of their issuer, maintaining them for the regulatory period. The Participant is also responsible for providing BSM, through the BSM Portal, with the respective audit trails, as defined in the BSM File Layout and Trails Manual [25].

[24] Backup is understood as a backup routine that allows the recovery of complete information, even if there is an error in production.

[25] Available at: https://www.bsmsupervisao.com.br/Noticias/Manuais.

11.4 Regarding this topic, the Investment Advisor may also not act as a proxy or representative of clients before Participants, for any purpose. RCVM 178 does not distinguish between types of clients, so the prohibition applies to both natural and legal entities.

11.5 This prohibition, however, does not apply in cases where the Investment Advisor is the sole partner, managing partner, or controlling shareholder of the legal entity. In these situations, the Investment Advisor's will overlaps with that of the legal entity, and the client'sclient cannot be substituted for the Investment Advisor's.

11.6 In any case, considering that the situation described above involves additional risks to the Participant, related to the conflict of interests, for example, by receiving a brokerage rebate from the Investment Advisor as a result of the operations in which he acted as order issuer, or even related to the management of resources of the other partners, the Participant, based on his duty to supervise the Investment Advisors hired by him and to know his clients, must have the conditions to monitor these situations.

XII. Enforcement

12.1 If BSM identifies non-compliance with the obligations established in RCVM 178 and this Supervisory Standard, the Investment Advisor, its Responsible Director, the Participant and its directors will be subject to Enforcement measures, in accordance with BSM's Procedural Regulations.

This Supervisory Standard will take effect from the first business day following its

publication by BSM, repealing the previous standard on the subject, published through External Communication 30/2023-BSM, of December 11, 2023.

Monitoring Operations and Offers

RETURN TO INDEX

Introdução

The Supervisory Standard addresses obligations related to the Participant's duty to monitor transactions and offers, taking into account the CVM's current regulations and guidelines, as well as the rules issued by B3.

Publication History of Standards on the Topic

External Communication	Publication date	Status
BSM-15/2024	July 1, 2024	Current

Supervisory Standard on Monitoring of Transactions and Offers

(Published through External Communication BSM-15/2024)

BSM Market Supervision ("BSM"), in the exercise of its functions, issues this supervisory standard ("Supervisory Standard") with the objective of reinforcing the monitoring duty to be carried out by the Participant on transactions and offers, in view of the current regulations and guidelines of the Brazilian Securities and Exchange Commission ("CVM"), as well as the rules issued by B3 S.A. – Brasil, Bolsa, Balcão ("B3").

Terms defined in this Supervisory Standard are in accordance with the BSM Glossary[26] or are defined in this Supervisory Standard.

The Supervisory Standard is divided into 5 (five) sections: (I) Participant's Duty to Monitor; (II) Participant's Duty to Report to CVM and BSM; (III) Controls for Monitoring Transactions and Offers by the Participant; (IV) BSM's Approach; and (V) Enforcement.

I. Participant's Duty to Monitor

1.1. It is the duty of the Participant of the organized markets managed by B3 to continuously monitor the transactions and offers that it carries out the intermediation, transfer, allocation and/or settlement, based on the information it has on clients, orders, placement of offers, execution of transactions and allocations made, in accordance with the regulations of CVM and B3, entailing duties for the Participant that carries out the intermediation and settlement in the B3 Listed and Over-the-Counter segments.

[26] Available at: https://www.bsmsupervisao.com.br/legislacao-e-regulamentacao/leis-normas-e-regras.

1.2. The Participant must continuously monitor transactions and offers in order to identify, evaluate, record, prevent and communicate, for example, situations of use of relevant information not yet disclosed or trading in prohibited periods defined in CVM Resolution No. 44/2021 (“RCVM 44”) and irregular practices typified in CVM Resolution No. 62/2022 (“RCVM 62”), as well as observe the provisions of CVM Resolution No. 35/2021 (“RCVM 35”) and the B3 Operational Qualification Program Standard Rules (“PQO’s Standard Rules”), in order to ensure the integrity and regular functioning of the capital market.

1.3. When monitoring all operations and offers effectively and efficiently, the Participant must identify, through filters, alerts and samples, signs of irregularities, which must be analyzed and evaluated to verify whether such signs may have in fact generated a possible irregularity.

1.4. The Participant is not responsible for defining and judging whether said evidence constitutes a proven irregularity, capable of generating the opening of analysis, proceedings and condemnation by the regulator and/or self-regulator. It is the Participant's responsibility to verify such evidence and (i) discard, in a reasoned and conclusive manner, alerts with false positives, or (ii) if the evidence is confirmed as a possible irregularity, must communicate, as described in the section below, such evidence to the CVM and BSM.

1.5. The Participant must implement rules, procedures and internal controls compatible with its nature, size, complexity, structure, risk profile, business model, volume operated, access channels offered, products and services operated, types of

clients served and complexity of the operations performed, to monitor all operations and offers performed by the Participant.

1.6. The rules, procedures and internal controls mentioned above must be written and may be included in the Participant's Operating Rules and Parameters ("RPA") or Operating Standards and Parameters ("NPA"), and may be subject to verification by BSM.

1.7. The Participant's rules, procedures and internal controls must contain, at a minimum, the form of monitoring carried out, the rules for identifying signs of irregularities, the way in which the Participant handles alerts of signs of irregularities, the methodologies adopted for defining samples and analyzing alerts and signs, the updating and feedback of its internal controls and rules, the institution's policy on communicating signs to the CVM and BSM, in addition to the treatment that the Participant will give to clients who are involved in the signs of irregularities identified.

1.8. It is the duty of the statutory Director responsible for compliance with RCVM 35 and the Market Relations Director ("DRM"), if not the same person, to prepare and maintain, in an updated manner, the Participant's rules, procedures and internal controls related to the monitoring of all transactions and offers, as well as for carrying out the monitoring itself.

1.9. In turn, the statutory Director responsible for supervising internal procedures and controls has the duty to verify whether the monitoring, rules, procedures and internal controls have been implemented and are effective, in addition to preparing an internal controls assessment report for the Participant's management bodies, by the

last business day of April of each year, containing, at least, the information required by RCVM 35 and the PQO's Standard Rules.

1.10. The Participant's management bodies are responsible for approving the rules, procedures and internal controls, as well as supervising compliance and effectiveness, including through the Participant's internal controls assessment report delivered by the Statutory Director responsible for supervising internal controls and procedures.

II. Participant's Duty to Report to CVM and BSM

2.1. During the monitoring process of all transactions and offers, any signs of irregularity found by the Participant must be communicated simultaneously to CVM and BSM[27].

2.2. The communication must clearly identify the evidence, containing a detailed description of the facts and grounds on which the Participant's conclusion regarding the characterization of the evidence is based. The communication must be accompanied by full documentation supporting the reported statements and evidence, including a description of how the evidence was detected and subsequent documents obtained during the investigation conducted by the Participant.

2.3. The Participant must inform CVM and BSM of the occurrence or identification of signs of irregularity within a maximum period of 5 (five) business days.

[27] Check Circular Letter No. 01/2024/CVM/SMI. Available at: https://conteudo.cvm.gov.br/legislacao/oficios-circulares/smi/oc-smi-0124.html. Check the Communication Guide published by BSM. Available at: https://www.bsmsupervisao.com.br/publicacoes-e-eventos/publicacoes.

2.4. Communication to the regulator and self-regulator does not exempt the Participant from its responsibilities and the obligation to take the immediate measures it deems necessary in relation to any injured parties or to the client who is carrying out or has carried out an irregular practice, to prevent the continuation of the irregular practice.

2.5. After the communication, the Participant must also, if applicable, continue to investigate the case to make new complementary communications if new facts or information are found.

2.6. The Participant must complete the analysis of alerts arising from the monitoring of transactions and offers by the deadline established in B3's rules.

2.7. Said communication to the CVM and BSM and compliance with the deadline for sending the communication are the responsibility of the statutory Director responsible for compliance with RCVM 35 and the DRM, respectively, if this is not the same person.

2.8. The documentation and evidence relating to compliance with the duties set forth in this Supervisory Standard must be maintained by the Participant for the period and under the terms required by the regulations in force.

III. Controls for Monitoring Transactions and Offers by the Participant

3.1. To comply with the monitoring and analysis duties, the Participant must, based on its nature, size, complexity, structure, risk profile, business model, volume operated, access channels offered, products and services operated, types of clients served and complexity of the operations performed, to monitor all operations and offers performed:

(i) Maintain a technically qualified team of adequate size to carry out the work;

(ii) Maintain controls in the registration, trading, and post-trading environments capable of identifying and analyzing signs of irregularities in situations covered, for example, in RCVM 44 and RCVM 62, as mentioned in Section I above; and

(iii) Have appropriate controls in place to monitor signs of irregularities in the offers and transactions it executes.

3.2. Such controls must be capable of identifying, through filters, alerts and samples, signs of irregularities or atypical situations, of which these are non-exhaustive examples:

(i) Transactions intended to simulate situations to conceal abusive practices;
(ii) Changes in the investor's operating pattern;
(iii) Atypical investor results;
(iv) Analysis of the compatibility of transactions with the investor's operating profile;
(v) Assessment of atypical transfers of funds;
(vi) Direct Offers[28];

[28] Check BSM Supervisory Standard 28/2023 on Direct Offers for B3 Listed Assets and Derivative Contracts. Available at: https://www.bsmsupervisao.com.br/legislacao-e-regulamentacao/leis-normas-e-regras.

(vii) Same-Orient Transactions ("OMC")[29];

(viii) Misuse of investor accounts, captured accounts, and/or churning;

(ix) Periodic assessment of the recording of orders from investors and related parties;

(x) Management of access/configurations in the trading system;

(xi) Due diligence to identify groups of investors and related parties placing orders from the same source, according to criteria defined by the Participant[30];

(xii) Identification of orders sent from the same source and from investors registered from the same source, according to criteria defined by the Participant[31];

(xiii) Coordinated transactions in which the same order source is used by two or more investors, according to criteria defined by the Participant;

(xiv) Respecification and distribution of trades;

(xv) Activities of related parties, including assessment of compliance with the policy governing the activities of related parties and the proprietary portfolio disclosed in the Participant's RPA/NPA; and

(xvi) Identification of relevant facts or market communications made available by Issuer Companies, including, but not limited to, the following relevant information: a) changes in the company's ownership control; b) acquisitions, mergers, spin-offs, or consolidations involving the company and affiliated companies; c) the company's profit or loss and distribution of cash dividends; d) request for judicial or extrajudicial recovery; or e) modification of projections disclosed by the company

3.3. BSM makes the Alert Guide and benchmarks available on its website, and each Participant is responsible for the appropriate assessment of each specific case and

[29] Check BSM Supervisory Regulation 11/2023 on WTO. Available at: https://www.bsmsupervisao.com.br/legislacao-e-regulamentacao/leis-normas-e-regras.
[30] Check, for example, BSM's Guidance Note on Monitoring the Origin of Order and Transaction Records. Available at: https://www.bsmsupervisao.com.br/publicacoes-e-eventos/interpretacoes-da-bsm.
[31] Check, for example, BSM's Guidance Note on Monitoring the Origin of Order and Transaction Records. Available at: https://www.bsmsupervisao.com.br/publicacoes-e-eventos/interpretacoes-da-bsm.

respective risk, and the implementation of controls is their sole responsibility to fulfill their duties.

3.4. The monitoring carried out by the Participant must be combined with the client's registration, suitability, asset and reputational analyses, in addition to using information, when possible, from post-negotiation, including the identification of the final beneficiary.

IV. BSM's Approach

4.1. BSM's supervision and oversight of the duties set out above occurs continuously through market monitoring and its audits, the latter in accordance with tests defined in its Test Roadmap.

4.2. The process of supervising operations and offers is not waived for Participants from 2024 onwards, in accordance with Supervision Standard 06/2024 on Results and Exemption of Participants from Regular Audits[32].

4.3. During the supervision and oversight of the Participant regarding the monitoring of operations and offers, BSM verifies compliance:

(i) The existence of written rules, procedures, and internal controls approved by the administrative bodies;

(ii) The existence of controls to monitor all transactions and offerings;

[32] Available at: https://www.bsmsupervisao.com.br/legislacao-e-regulamentacao/leis-normas-e-regras.

(iii) The effectiveness, sufficiency, compliance, and implementation of the parameters and criteria used by the Participant to monitor situations defined as irregular practices related to transactions and offerings;

(iv) The process for recording the analyses and conclusions that supported the decision to notify the CVM and BSM, and whether a description of the analysis, date, and conclusion of the analysis regarding the atypicalities identified in the monitoring process were presented; and

(v) The deadlines for completing the analyses and reporting to the CVM and BSM.

4.4. BSM, during audits at the Participant, also verifies:

(i) The number of alerts identified during the audit period;

(ii) The number of alerts analyzed by the Participant during that period;

(iii) The number of communications made to the CVM and BSM;

(iv) The number of clients who traded;

(v) The number of trades executed during the audit period;

(vi) The effectiveness of the Participant's controls and analyses regarding the monitoring and reporting of signs of irregularities with offers and transactions;

(vii) The Participant's policy regarding the assumptions used to analyze alerts;

(viii) The criteria used to define materiality, recurrence, and history of the client involved in the indication when the Participant fails to analyze all alerts generated by its controls;

(ix) The storage of alerts and analyses performed; and

(x) How the Participant uses information from previous alerts and analyses, as well as other relevant information, to feedback and update its alerts, filters, and sample definitions.

4.5. BSM, according to its Testing Script and depending on specific situations, may, in its supervision and inspection process, carry out other analyses and checks on the Participant in addition to those described in this section.

V. Enforcement

5.1. The duties indicated in the applicable regulation and in this Supervisory Standard, if not met adequately and in a timely manner by the Participant, will be considered as aggravating factors for the application of Enforcement measures established in the BSM Procedural Regulation.

This Supervisory Standard will take effect 30 (thirty) days after its publication.

Outstanding Balance

RETURN TO INDEX

Introduction

The Supervisory Standard addresses obligations related to the Participant's duty to monitor the client's outstanding balance, taking into account the current regulations and guidelines of the National Monetary Council (“CMN”) and CVM, as well as the rules issued by B3.

Publication History of Standards on the Topic

External Communication	Publication date	Status
BSM-16/2024	July 1, 2024	Current

Supervisory Standard on Outstanding Balance

(Published through External Communication BSM-16/2024)

BSM Market Supervision ("BSM"), in the exercise of its functions, issues this Supervisory Standard ("Supervisory Standard") with the objective of reinforcing the monitoring duty to be carried out by the Participant on the outstanding balance of clients, in view of the current regulations and guidelines of the National Monetary Council ("CMN") and the Securities and Exchange Commission ("CVM"), as well as the rules issued by B3 S.A. – Brasil, Bolsa, Balcão ("B3").

Terms defined in this Supervisory Standard are in accordance with the BSM Glossary[33] or are defined in this Supervisory Standard.

The Supervisory Standard is divided into 5 (five) sections: (I) Participant's Duty to Monitor the Outstanding Balance; (II) Due Diligence Expected from the Participant; (III) Margin Account and Leverage; (IV) BSM's Approach; and (V) Enforcement.

I. Participant's Duty to Monitor Outstanding Balance

1.1. Current regulations provide that securities brokerage firms and securities distribution companies are prohibited from carrying out transactions that characterize, in any form, the granting of financing, loans or advances to their clients, including through the assignment of rights, except in cases of operations granting financing for the purchase of shares, known as margin account operations, and lending shares for sale, in accordance with the rules of the CMN and CVM.

[33] Available at: https://www.bsmsupervisao.com.br/legislacao-e-regulamentacao/leis-normas-e-regras.

1.2. It is the Participant's duty to develop and implement processes and controls to monitor and prevent the granting of financing, loans or advances to its clients, outside of the permitted hypotheses.

1.3. The existence of a debit balance in the client's account may constitute the granting of financing, whereas the finding of the systematic and recurring occurrence of a debit balance, without the due formalization of default, added to the permission for the client to continue operating and increasing their debit balance, constitutes irregular credit granting activity.

1.4. In terms of verifying the recurrence and systematicity of the situation, BSM monitors:

(a) if there has been a negative balance in a client's checking account for more than 3 (three) consecutive days, without the Participant taking any action to resolve said outstanding balance; and

(b) if there is a negative balance in the checking account at the beginning of the day, and if the checking account holder carried out transactions and said checking account balance at the end of the day was negative by a greater amount than the amount at the beginning of the day.

1.5. The Participant's forms of action in relation to the client who has a debit balance may be cumulative and must aim to find a solution in relation to the client's maintenance of a debit balance.

II. Expected Due Diligence

2.1. The Participant must maintain policies and procedures, which may be set out in the Participant's Operating Rules and Parameters (“RPA”) or Operating Standards and Parameters (“NPA”), on mechanisms for monitoring the status of granting financing, loans or advances to clients, as well as on the Participant's procedure when it verifies the existence of a debit balance in the client's account.

2.2. There must be symmetrical monitoring of People Linked to the Participant with an outstanding balance.

2.3. If the outstanding balance remains, the Participant must block the client from opening new transactions, and the client may liquidate positions to reduce or eliminate the outstanding balance.

2.4. The Participant must adopt effective mechanisms to prevent the granting of financing, loans or advances to its clients, including through the assignment of rights, and the maintenance of the outstanding balance for its clients, such as, for example, notifying the client to close the outstanding balance, compulsory liquidation of client positions, application of contractual fines, extrajudicial or judicial collection of the client, indication for the list of defaulting clients of B3, inclusion of the client in credit protection agencies, etc., in addition to not allowing the client to increase the outstanding balance through transactions on B3 during this period.

2.5. If the Participant chooses to carry out compulsory liquidation of client positions due to a debit balance, they must compulsorily liquidate only the positions necessary to cover the negative balance. Their policies must include how the Participant carries out this type of compulsory liquidation, the type of asset chosen for this liquidation, and whether there is priority based on liquidity or asset value, for example. In compulsory

liquidation due to a debit balance, the Participant must follow, where applicable, Supervisory Standard BSM 07/2022[34].

III. Margin Account and Leverage

3.1. As mentioned in section I above, CMN and CVM regulations allow, exceptionally, the carrying out of a financing operation for the purchase of shares, called a margin account operation, and the lending of shares for sale.

3.2. There is also the possibility that the Participant may allow leveraged operations for clients.

3.3. In this sense, the Participant that carries out margin account operations, lending shares for sale and/or with Leverage[35] must include in its RPA/NPA the forms and modalities of operations that he/she accepts and the respective rules for carrying out these operations, following the provisions of Normative Annex I of RCVM 35.

3.4. The financing of costs associated with the purchase of financed shares, such as brokerage fees, emoluments, charges and income tax withheld at source, may not be done through a margin account.

IV. BSM's Approach

[34] Available at: https://www.bsmsupervisao.com.br/legislacao-e-regulamentacao/leis-normas-e-regras.
[35] Concept defined in the BSM Glossary.

4.1. BSM's supervision and inspection of the duties set out above occurs continuously, including through audits, as per tests defined in its Test Plan.

4.2. During the Participant's supervision and monitoring of the clients' outstanding balance, BSM verifies:

(i) The existence in the RPA/NPA of information on mechanisms for monitoring the status of financing, loans, or advances granted to clients, as well as the Participant's approach when verifying a debit balance in the client's account;

(ii) The effectiveness of the mechanisms employed by the Participant to prevent improper financing practices;

(iii) Compliance with the rules set forth in Normative Annex I of RCVM 35 for situations involving financing for the purchase and lending of shares;

(iv) Monitoring of clients and Related People with debit balances; and

(v) Verification of the systematicity and recurrence of debit balances and the Participant's treatment of clients with debit balances.

V. Enforcement

5.1. The duties indicated in the applicable regulation and in this Supervisory Standard, if not met adequately and in a timely manner by the Participant, will be considered as aggravating factors for the application of Enforcement measures established in the BSM Procedural Regulation.

5.2. This Inspection Standard shall come into effect on the day following its publication.

Trading of Restricted Assets

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Introdução

The Supervisory Standard aims to reinforce the monitoring duty to be carried out by the Participant to ensure compliance with the rules restricting the trading of securities and the supervision and inspection procedures adopted by BSM in relation to the Participants.

Publication History of Standards on the Topic

External Communication	Publication date	Status
BSM-25/2024	December 10, 2024	Current

Supervisory Standard on Trading in Restricted Assets

(Published through the BSM External Communication BSM-25/2024)

BSM Market SUpervision ("BSM"), in the exercise of its functions, issues this supervisory standard ("Supervisory Standard") with the objective of reinforcing the monitoring duty to be carried out by the Participant for compliance with the rules restricting the trading of securities and the supervision and inspection procedures adopted by BSM in relation to the Participants, considering the current regulations and guidelines of the Brazilian Securities and Exchange Commission ("CVM"), as well as the rules issued by B3 S.A. – Brasil, Bolsa, Balcão ("B3").

Terms defined in this Supervisory Standard are in accordance with the BSM Glossary[36] or are defined in this Supervisory Standard.

The Supervisory Standard is divided into 4 (four) sections: (I) Availability of information regarding assets with trading restrictions; (II) Participant Monitoring Duty; (III) BSM's Approach; and (IV) Enforcement.

I. Provision of information regarding assets with trading restrictions

1.1. Information regarding assets traded in the Listed segment (variable income securities issued by companies and investment funds), with trading restrictions, is available on the B3 website[37].

[36] Available at: https://www.bsmsupervisao.com.br/normativos-bsm

[37] Available at: https://www.b3.com.br/pt_br/solucoes/plataformas/puma-trading-system/para-participantes-e-traders/regras-e-parametros-de-negociacao/regras-de-negociacao/.

1.2. In turn, information regarding assets traded in the Over-the-Counter segment is made available directly in the organized over-the-counter market system.

II. Participant's duty to monitor

2.1. It is the duty of the Participant in organized markets managed by B3 to continuously monitor compliance with the rules on restrictions on trading in securities established by CVM Resolution No. 160/2022 (“RCVM 160”) and any specific regulations that address the distributed security.

2.2. The Participant must implement internal control structures that are effective, consistent, and compatible with its nature, size, complexity, and risk profile. These controls must cover the pre-trade and post-trade phases and be capable of appropriately classifying investors into the categories of investor, qualified investor, and/or professional investor, in accordance with the classification criteria established by CVM Resolution No. 30/2022 ("RCVM 30"), which establishes the duty to verify the suitability of products, services, and transactions to the client's profile.

2.3. To meet these criteria, the Participant must develop and maintain efficient mechanisms for identifying and classifying investors at the time of registration, during the relationship with the client, and prior to the execution of transactions. These mechanisms must include, but are not limited to, the collection of information through the implementation of comprehensive forms that capture detailed information about the investor's financial situation, investment experience, objectives, and risk tolerance. Additionally, it is essential to analyze and verify the data provided by the investor, including the validation of supporting documents, when applicable.

2.4. To prevent unqualified or professional investors from trading restricted assets, as stipulated by RCVM 160, the Participant must implement effective controls to

identify and restrict access to such assets, ensuring that only properly qualified investors can carry out these transactions, considering the minimum timeframes established in current regulations. To this end, the Participant must adopt verification systems and review procedures, in addition to documenting how it controls restrictions, both from the perspective of prior controls in the pre-trade phase and subsequent controls in the post-trade phase.

2.5. The Participant must also conduct ongoing monitoring to ensure that investors classified as qualified or professional maintain their status. This monitoring must include periodic review of the information provided by investors during the registration process and throughout the relationship, to ensure that any changes in the investor's status are promptly identified and recorded. The frequency of reviews must be sufficient to capture relevant changes in the investor's profile, ensuring that only those who meet the criteria stipulated by current regulations may trade restricted assets.

2.6. In the process of requesting the transfer of securities (“STVM”), the Participant must pay attention to the investor category, ensuring that all transfer procedures comply with the required security and transparency standards, ensuring the adequacy of the operation to the risk profile and needs of the investor, in addition to compliance with current regulations.

2.7. The Participant must prevent fractional trading in the secondary market of single and indivisible lots of securities intended for a single investor before 180 (one hundred and eighty) days have elapsed from the date of subscription of the lot. To this end, it is necessary to implement effective controls to identify such assets and to prevent transactions under the conditions described.

2.8. The above rules, procedures and internal controls must be written and included in the Participant's policies.

III. BSM's Approach

3.1. BSM's supervision and oversight of the above-mentioned duties is ongoing, through indirect monitoring, to verify Participants' compliance with the established standards. This monitoring may be carried out in the following ways:

(i) identification of assets with trading restrictions through the information page made available by B3 on its website and/or through the organized Over-the-Counter market system;
(ii) survey of transactions carried out in the secondary market in the organized markets managed by B3;
(iii) verification of non-qualified/professional investors who carried out transactions with restricted assets;
(iv) identification of professional/qualified investors who, based on registration data and custody positions, among other elements, carried out transactions with restricted assets; and
(v) generation of indicators and analytical bases for supervision.

3.2. During the supervision and monitoring of the Participant regarding compliance with the rules on restrictions on trading in securities established by RCVM 160, BSM will verify:

(i) the effectiveness of the Participant's existing controls to validate the investor's category (qualified or professional), and the existence of mechanisms for this identification at the time of registration, during the relationship with the client, and prior to the execution of transactions;

(ii) the effectiveness of the Participant's existing controls to prevent unqualified or professional investors from trading restricted assets, in accordance with RCVM 160;

(iii) whether investors who participated in offerings through the automatic distribution registration procedure are qualified/professional;

(iv) measuring the effectiveness of the Participant's existing controls for offerings of single and indivisible lots of securities; and

(v) the content and validity of policies and/or manuals that demonstrate the controls implemented to meet the requirements of RCVM 160.

IV. Enforcement

4.1. Participants that fail to comply with the duties set out in the applicable regulations and in this Supervisory Standard will be subject to Enforcement measures, as set out in the BSM Procedural Regulations.

This Supervisory Standard shall come into effect from 2 January 2025.

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Client Registration

RETURN TO INDEX

Introduction

The supervisory standard aims to reinforce the rules, procedures, internal controls, duties and responsibilities of Participants in relation to client registration, considering the current CVM regulations and guidelines and the standards issued by B3.

Publication History of Standards on the Topic

External Communication	Publication date	Status
BSM-10/2025	April 29, 2025	Current

Supervision Standard on Client Registration

(Published through External Communication BSM-10/2025)

BSM Market Supervision ("BSM"), in the exercise of its functions, issues this supervisory standard ("Supervisory Standard") with the objective of reinforcing the rules, procedures, internal controls, duties and responsibilities of Participants in relation to client registration, considering the current regulations and guidelines of the Brazilian Securities and Exchange Commission ("CVM"), as well as the standards issued by B3 S.A. – Brasil, Bolsa, Balcão ("B3").

Terms defined in this Supervisory Standard are in accordance with the BSM Glossary[38] or are defined in this Supervisory Standard.

The Supervisory Standard is divided into 3 (three) sections, with their respective subsections: (I) Participants' Duties; (A) AML/CFT Policy or equivalent document covering the registration process; (B) Initial Registration (Onboarding); (B.1) Provision of Registration Data by the Client; (B.2) Validation of Registration Information; (B.3) Client Identification; (C) Registration Process; (C.1) Registration Update; (C.2) Outdated or Incomplete Registration; (C.3) Attorneys and Legal Representatives; (D) Registration Systems; (E) Clients Linked to Master Accounts; (F) Access Registration; (G) Simplified Non-Resident Investor Registration ("NRI"); (H) Documentation and Evidence; (II) BSM's Approach; and (III) Enforcement.

I. Participant's Duties

A. AML/CFT Policy or equivalent document covering the registration process

[38] Available at: https://www.bsmsupervisao.com.br/normativos-bsm

1.1. The Participant is responsible for implementing and maintaining internal rules, procedures, and controls for the identification, validation, and registration of all clients with whom it maintains a relationship. These rules, procedures, and internal controls must be explicitly described in detail in the Participant's Anti-Money Laundering, Anti-Terrorism Financing, and Anti-Proliferation of Weapons of Mass Destruction (AML/CFT) Policy ("Policy"). The Policy must include the respective criteria and the frequency of its updates, and must be approved by the Participant's senior management, with evidence of such approval being stored.

1.2. The Participant must ensure that client registration information is continually updated. This includes periodically reviewing data and information in accordance with the criteria adopted in the Policy, observing the guidelines established in current regulations.

1.3. The Policy must be continually reviewed to incorporate any changes in the senior management guidelines of the Participant or the economic group to which it belongs and in applicable regulations. Furthermore, the Policy must be disclosed by the Participant, and the manner of such disclosure must be described in the Policy. The Participant is responsible for taking the necessary measures to ensure that all its employees, branches, subsidiaries, and representative offices, if any, and all relevant service providers, as applicable, are aware of and comply with the established rules, procedures, and internal controls.

1.4. If the rules, procedures, and internal controls for identifying, validating, and registering all clients with whom the Participant maintains a relationship are described in a separate or distinct document, this information must be included in the Policy. The Policy must also specify the title of the separate document, its location, and how it integrates with the Participant's set of policies and practices, ensuring transparency and compliance with applicable regulations.

B. Initial registration (onboarding)

1.5. Initial registration, or onboarding, refers to the process that brings together the set of rules, procedures, and internal controls that must be carried out by the Participant to open an account at the beginning of the relationship with the client. To ensure compliance with current regulations and guarantee the security of the transactions to be carried out, this process must be carried out in the manner structured by the Participant in the Policy and must involve:

(i) collecting minimum registration data for account opening, upon request from the client;
(ii) conducting due diligence to collect additional registration data;
(iii) validating the client's identity;
(iv) identifying the ultimate beneficiary, if applicable;
(v) approving the client to begin a relationship with the institution; and
(vi) verifying and archiving personal documents, if applicable.

1.6. The minimum registration data for opening an account, mentioned in item (i) above, are defined in the current regulations and in the Joint Circular Letter CVM/SIN/SMI/SSE 01/25, published on March 10, 2025.

1.7. As a condition for the client's approval to initiate the relationship, as mentioned in item (v) above, the Participant must verify whether the client is included in restrictive lists related to economic sanctions, terrorist activities, financing of the proliferation of weapons of mass destruction, and other financial crimes. If the client is identified as being on such lists, the Participant must conduct an assessment in accordance with the

Policy before approving the initiation of the relationship with the client and adopt appropriate measures as established in the Policy and in applicable regulations.

1.8. Regarding the restrictive list published by the United Nations Security Council ("UNSC"), the Participant must follow the guidelines established in Law No. 13,810, of March 8, 2019 ("Law No. 13,810"), both for opening the account and for maintaining the relationship.

1.9. To assist and support Participants in fulfilling their obligations under current regulations, BSM provides an exemplary and organized list of restricted lists on its website. As previously mentioned, this list is not exhaustive, and it is the Participant's responsibility to monitor any lists of interest to them, in accordance with the Policy.

B.1. Provision of registration data by the client

1.10. Before opening an account, the Participant must request the client to provide the minimum mandatory registration data as per Joint Circular Letter CVM/SIN/SMI/SSE 01/25. Depending on the client's risk classification and in accordance with the terms of the Policy, the Participant must consider additional information. Alternatively, the Participant may request that the client validate pre-filled information obtained through external data sources.

1.11. The Participant must request the client to sign an express declaration, in which the client undertakes to inform, within the timeframe established by current regulations, of any changes to their registration data, including the possible revocation of a power of attorney, if there is a proxy. This signature may be made digitally, or, in the case of electronic systems, through other mechanisms, provided that the procedures adopted allow for the accurate recording and confirmation of the client's identification.

This declaration may be included in the intermediation agreement entered between the Participant and the client, eliminating the need for a specific document.

1.12. If the client does not provide all the minimum data required, the Participant must provide in the Policy a maximum timely period for the client to provide the data necessary to complete their registration, and this period must be aligned with the client's risk classification assigned by the Participant.

1.13. In parallel, the Participant must make every effort to obtain this missing data, and may use external data sources, such as bureaus, to supplement the necessary information and, where applicable, validate it with the client, as provided in the Policy. Any information obtained from external data sources that differs from that provided by the client must be validated, and the Participant is prohibited from altering the data provided by the client without their consent.

1.14. The Participant, however, may use client data obtained through external data sources for monitoring purposes, even if not validated by the client, if such due diligence is provided for in the Policy. In this case, the Participant must consider the lack of validation when interpreting the monitoring results.

1.15. The Participant must demonstrate the due diligence taken and the treatment of this situation as defined in its Risk-Based Approach ("RBA").

B.2. Validation of registration information

1.16. The Participant must validate the client's registration information by applying rules, procedures and internal controls proportional to their risk classification and in accordance with Policy.

1.17. In the case of clients classified as politically exposed People ("PEP"), legal entities controlled by PEP, local or foreign non-profit organizations ("OSFL"), INR classified as a trust in their country of origin and exclusive investment funds, the Participant must adopt specific and additional due diligence, established in the Policy, to validate the registration information and monitor in a differentiated manner the proposal to initiate and maintain a relationship, considering the particular risks associated with these categories.

1.18. Validation of the registration data provided by the client may be performed using external data sources, such as bureaus and other information sources. In this case, the Participant must store audit trails with the validations, demonstrating, at a minimum, the data that was validated and the reason for approval or rejection of the information in the registration, in addition to the date on which said validation was performed.

1.19. The registration data validation process must not change the data provided by the client when opening the registration, unless the client approves, but rather enable the correct identification of the client and the adoption of due diligence and monitoring, in accordance with Policy.

B.3. Client identification

1.20. Before opening an account at the beginning of the relationship, the Participant must identify the client to ensure the integrity of the transactions to be intermediated and compliance with current regulations, mitigating risks associated with fraud and other illicit activities. The data and information obtained must be subject to effective verification and validation processes, commensurate with the client's risk level.

1.21. The Participant must maintain a "Know Your Client" process that establishes the rules, procedures, and internal controls adopted to validate the identity of its clients, both at the time of initial registration and throughout the relationship period. This "Know Your Client" process must ensure that all steps necessary for client identification are in accordance with applicable regulations.

1.22. The “Know Your Client” process must also specify the conditions and criteria that clients must meet to initiate and maintain the relationship. If a client is approved on an exceptional basis, which differs from the conditions described in the “Know Your Client” process, this decision must be deliberated according to the governance authority established in the Policy. In such cases, the Participant must record in detail the exceptional situation, including the specific reasons for approval and the risk mitigation measures adopted.

1.23. In the case of legal entity clients and investment funds, the Participant must take the necessary steps to identify the client or the final beneficiary, using the information and documents provided by the client, in addition to other available data sources.

1.24. If the registration data obtained is not sufficient to fully identify the client or end beneficiary, in accordance with current regulations, the Participant must evaluate its interest in establishing and maintaining a relationship with the client. This evaluation must comply with the governance parameters and authority established in the Policy and be documented for subsequent review by the regulator and self-regulator.

C. Registration Process

1.25. The registration process consists of a set of ongoing steps that the Participant must take to obtain and maintain up-to-date client data obtained during the initial registration, or onboarding. This includes periodically reviewing information, changing and updating data, verifying the client's inclusion or exclusion from monitored restrictive lists, requesting supporting documents, if applicable, consulting other external data sources, and adapting to changes in current rules.

1.26. A registration change, which is not to be confused with a registration update, consists of the specific modification of specific client data already recorded in their registration, such as a change of address or telephone number. A registration update, in turn, refers to a broader and periodic process of reviewing and confirming all client data recorded in their registration. Whenever a client makes a registration change, whether spontaneously or motivated by the Participant, the Participant is recommended to verify with their client that their registration is up to date.

1.27. The Participant must validate the information obtained, gather additional information when necessary, and ensure that the registration data remains up-to-date, especially when there is a change in the risk profile or new facts arise that require the Participant to bring forward the deadline for updating the registration. This process must be continuous and continue throughout the relationship with the client, and the Participant must maintain records that the client confirmed the registration update.

1.28. During the registration process, if the Participant identifies the client's presence on restrictive lists, the Participant must conduct an assessment in accordance with the Policy and adopt appropriate measures as established in the current regulations. If a client is identified on a list of sanctions or restrictions issued by the UNSC, the Participant must immediately and without prior notice to the sanctioned client, comply with the measures established in the UNSC sanctioning resolutions, pursuant to Law No.

13,810 of 2019, and proceed with communications in accordance with the current regulations.

C.1. Registration update

1.29. The Participant must define in its Policy the criteria and frequency for updating the registration of all its active clients, respecting the maximum interval defined in the current regulations, considering for the purposes of calculating the period the date of the initial registration or the last registration update performed. The definition of the criteria and frequency must take into account each client's risk classification, the nature of the relationship, and changes in the client's registration data.

1.30. Furthermore, the registration update period must be harmonized with the period for updating the client's suitability, unless the Participant establishes in the Policy, according to the client's risk classification, a period of less than 2 (two) years for updating the registration data[39].

1.31. For purposes of verifying the registration validity period, the Participant must consider the date of initial registration or the date of the last registration update carried out, as applicable, and not the date of risk reclassification.

1.32. After the deadline for updating the registration, the Participant must demonstrate that it has taken all necessary steps to update the registrations of all active clients, as defined in the current regulations. To this end, the Participant must keep

[39] According to Joint Circular Letter No. 2/2021-CVM/SMI-SIN, published on October 1, 2021.

detailed records of all actions taken, including communication attempts, responses received, and updates made, to demonstrate compliance with the adopted Policy.

1.33. The client's silence cannot be interpreted as a registration update.

1.34. When the client updates their registration, the Participant must validate the client's registration information by applying procedures proportional to their risk classification, applying the provisions of item B.2. of this Supervisory Standard. The Participant must maintain records of such diligences, as established in Policy.

1.35. The Policy must specify that changes to the client's registration data may eventually require a review of the client's risk profile. The Participant must document the date of the risk reclassification and the new registration update deadline, ensuring that all information is up to date and accurately reflects the level of risk associated with the client, in accordance with the Policy.

1.36. Any reclassification of the client's risk may result in the expiration of the registration update period, considering that the client's new risk classification may have a shorter registration update period than that assigned to the initial risk profile.

1.37. In these cases, exceptionally, the Participant may allow the client to continue transactions until the registration update procedures are carried out, which may not necessarily exceed the maximum timeframe established in the Policy, starting from the risk reclassification. This hypothesis must be provided for in the Participant's rules, procedures, and internal controls, describing the procedures that will be adopted during the period in which the client's registration remains exceptionally pending update, due to the risk reclassification.

1.38. Additionally, if the client's registration is out of date at the time of risk reclassification, the exceptional period for movements and conducting registration update procedures referred to in item 1.37 should not apply.

1.39. In the case of a client classified as PEP, the Participant must pay attention to the period during which the client is in such a situation, including monitoring the frequency of renewal of the mandate resulting from an elective position, when applicable, reflecting any change in the situation of that client.

1.40. It is also the Participant's duty to identify and monitor, as defined in the Policy, clients who are people related to PEP (family members, close associates and legal entities in which they participate), as provided for in the regulations in force.

1.41. It is also important that the Participant establishes in Policy a routine for monitoring the client base to identify people who, despite not being classified as PEP at the time of registration, may subsequently fall into this category due to appointment to a public office compatible with such classification, whether such office is elective, by public examination or by free appointment.

1.42. The Participant must educate its clients about the importance of maintaining updated registration data, providing efficient communication channels so that clients and their representatives can report any changes. These channels must be accessible and easy to use, ensuring that clients can update their data quickly and securely, mitigating potential fraud in this process. The Participant must also provide clear guidance on the information that needs to be updated and how often the data should be reviewed.

C.2. Outdated or incomplete registration

1.43. Participants must not accept orders for transactions or account movements from clients whose registration is out of date. The prohibition on accepting and executing orders from clients with out-of-date registration does not apply to requests for account closure, disposal, redemption, or transfer of securities (STVM), orders for position reduction operations, or compliance with a court order or regulatory determination.

1.44. Transactions on behalf of a client with outdated registration or registration not yet completed are permitted only on a temporary and exceptional basis. Each exception must be analyzed individually and cannot be used as justification for a continuous or habitual practice adopted by the Participant of operating with registration information that is not properly updated or complete.

1.45. In this case, the Participant must specify in the Policy the necessary steps to deal with these situations, the applicable approval and governance authority, as well as the rules, procedures and internal controls for monitoring atypical situations in the offers and operations carried out by its clients.

1.46. The Policy must define a time limit for exceptional transactions, after which transactions on behalf of clients with outdated registrations will no longer be permitted. Furthermore, the Policy must establish a specific routine so that any missing registration information is obtained diligently, timely, and as a priority.

1.47. The Participant must implement rules, procedures, and internal controls to verify the non-existence of recurrence and ensure that each situation qualifies as an exception. The Participant must analyze all circumstances and record the justifications for the exception, which must be documented and kept on file by the Participant. If there is any impediment to the effective registration of the client or its respective update, the area responsible for the registration must notify the Participant's business or operations area so that the necessary measures can be taken, including the possible

allocation of the transactions carried out to the error account for settlement of the transactions.

1.48. All events treated as exceptions must be recorded by the Participant and kept available to BSM. Such exceptions cover both transactions carried out with outdated registration and, occasionally, transactions carried out with registration not yet effective. The storage of this information must include details on the nature of the exceptions, the due diligence performed, the justifications for each case, and the corrective measures adopted to prevent the recurrence of such situations. BSM will monitor and oversee such exceptions through indirect data monitoring, including.

1.49. 1.49. The Policy must define the measures to be adopted by the Participant in the event of the client's refusal to provide the necessary registration data or to indicate the final beneficiary.

C.3. Attorneys and legal representatives

1.50. The client may appoint a proxy to act on behalf of the Participant, provided this is formally documented through a specific power of attorney, which must clearly detail the powers granted to the proxy. This proxy should not be confused with the order issuer, who must be appointed by the client and registered by the Participant with the organized market management entity, in accordance with specific regulations.

1.51. In specific situations, such as guardianship or when the client is a minor, legal representation is mandatory and must be exercised by a duly appointed guardian or legal representative. The client’s registration must also include information that the client will transmit orders through a representative, in addition to their full qualifications. It is important that the Participant observe the extent of the powers

granted and, if necessary, reassess the client's suitability profile based on the extent of these powers and the nature of the representation.

1.52. In the event of the existence of a constituted attorney or legal representative, the following minimum content must be included in the client's registration, in accordance with current regulations:

i. Information that the client has authorized the transmission of orders by a proxy or legal representative;
ii. The full qualifications of the proxy or legal representative, which must include their place of residence;
iii. A physical or digital copy of the power of attorney or document legally constituting the legal representative;
iv. A physical or digital copy of the personal documents of the proxy or legal representative, where applicable; and
v. Information that the proxy or legal representative is considered a PEP, where applicable.

1.53. The Participant must adequately validate the identity of the attorney or legal representative, following the provisions of item B. 3. of this Inspection Standard, to guarantee the legitimacy and security of the transactions intermediated on behalf of the client.

1.54. Investment advisors, bank advisors, responsible bank advisors and operators cannot act as attorneys, order issuers or legal representatives of clients, as per current regulations.

1.55. As detailed in Supervisory Standard BSM 14/2024, in cases where the Investment Advisor is the sole partner of a legal entity, managing partner or controlling partner,

the prohibition mentioned in item 1.54 does not apply, given that, in this case, the will of the Investment Advisor is confused with that of the legal entity and there is no substitution of a client'sclient will for that of the Investment Advisor. However, it is essential that these situations are adequately monitored by the Intermediary receiving the orders.

D. Registration systems

1.56. 1.56. The Participant's registration systems must have audit trails to ensure accurate client identification and detailed tracking of all data additions, changes, updates, and deletions. Audit trails must allow, at a minimum, the identification of the following elements:

i. the user responsible for the action;
ii. the date and time of the event; and
iii. the nature and origin of the event, specifying whether it is an inclusion, change, update, or deletion of registration data.

1.57. It is the Participant's duty to ensure that client registration information in B3's registration systems is up to date, in compliance with the minimum content defined by the CVM, to continuously reflect the registration information maintained with the Participant. This duty will be assessed by BSM when situations beyond the Participant's control prevent it from updating the organized market administrator's systems.

1.58. Participants may use alternative registration systems, including electronic systems, that comply with current regulations and are verifiable. These systems must be capable of collecting, storing, transferring, and reconciling registration data securely and efficiently, ensuring consistency and compliance with applicable regulations.

1.59. Participants that choose to adopt an alternative registration system and/or use bureaus or other external data sources must describe the respective procedures in their Policy. This description must include, at a minimum, the following aspects:

i. A detailed description of the system, including its main functionalities, technologies used, and how it integrates with the Participant's internal systems and B3's registration systems;

ii. Procedures used to ensure that the client confirms and validates the information provided by them, as well as that obtained by the Participant, ensuring the authenticity of the registered data;

iii. A detailed description of the processes involved in the initial data collection, the steps for verifying and validating the information, and the methods adopted for the continuous updating of registration data; and

1.60. iv. A description of how the system is periodically evaluated to ensure its compliance with current regulations, demonstrating the system's compliance with the regulations, as well as the use of effectiveness indicators for the rules, procedures, and internal controls that make up the client identification process. The criteria used to obtain these effectiveness indicators must be described in the Policy, covering the methodology used, especially the criteria for selecting the sample to be tested, and other aspects such as the accuracy, security, and efficiency of the identification methods adopted.

1.61. Tests must be documented and the results obtained must be part of the Internal Risk Assessment, demonstrating effectiveness or presenting an Action Plan for improving internal rules, procedures and controls.

E. Clients linked to Master Accounts

1.62. Participants are permitted to maintain client records linked to Master Accounts, provided that the link between the account holder and the end clients is proven. The use of a Master Account is not permitted if there is no link between the account holder and the end client.

1.63. 1.62. The Participant must continually assess the status of the registrations linked to the Master Accounts. This assessment must ensure that all registrations are accurate and in line with the investment objectives. The verification process must include conducting periodic reviews of the registrations, in accordance with the Policy, to ensure that the information is up-to-date and correct; continuously confirming the link between the Master Account holder and the linked end clientcutomers, through review of supporting documentation; ensuring that all information and internal rules, procedures, and controls comply with applicable regulations; and conducting internal checks to review the completeness and accuracy of the registrations and documentation maintained..

F. Access Registration

1.64. The Participant, provided that they are authorized by B3, may register new clients, individuals with Brazilian nationality and residing in the country, through the Access Registration model, in accordance with the criteria and conditions defined in the current regulations.

1.65. The Participant authorized to use the Access Registration is responsible for implementing identification procedures that allow for the effective verification and validation of the client's identity, as well as defining in its rules, procedures and internal

controls the specific monitoring intended for these clients, as established in the current regulations and in this Supervisory Standard.

1.66. Access Registration does not exempt the Participant from the obligation to classify the client's ML/CFT risk, which should not be confused with the definition of the client's investment profile as established in current regulations, and the Participant must classify the client and proceed with the reclassification on an ongoing basis, in accordance with current regulations.

G. Simplified INR registration

1.67. For INR clients, the Participant may use a simplified registration, with the foreign institution or the client's custodian that maintains a relationship with the Participant being responsible for collecting registration information in accordance with the regulations of the country of origin.

1.68. Simplified INR client registration requires the provision, upon request from the foreign institution or client’s custodian, of all INR registration information, including its representative, in accordance with applicable law in the country of origin of the foreign institution or client’s custodian. This obligation must be established in a contract between the Participant and the foreign institution or client’s custodian and said contract must comply with the applicable standards issued by CVM and B3.

1.69. It is the Participant's duty to continually take all necessary steps to obtain from the foreign institution all the INR registration information required by current regulations. The minimum data contained in the Participant's database must be reflected in the database of the foreign institution or the client’sclient custodian.

1.70. Furthermore, the Participant must conduct due diligence to thoroughly understand the INR client'sclient financial and financial situation, as well as ensure proper identification of its ultimate beneficiary. In the case of an INR classified as a trust in its country of origin, in addition to the ultimate beneficiary, the trustee, settlor, and protector must be identified.

1.71. To this end, the Participant must request the client's foreign institution or custodian to provide the minimum information required by B3, using its best efforts to comply with Brazilian regulations for the proper identification of the INR client. This must also occur throughout the relationship with the INR client as registration updates become necessary.

1.72. If the information is provided by the foreign institution or the client's custodian incompletely, the Participant must demonstrate the due diligence taken and the handling of this situation through its RBA. The RBA must also provide for handling situations in which the foreign institution or the client's custodian does not provide a justification for not sending the requested information.

1.73. The silence of the foreign institution or the client's custodian cannot be considered an update to the client's INR registration.

1.74. Considering that the set of registration information required in the jurisdiction of origin of foreign institutions, the client's custodian, foreign managers, or other entities in the relationship chain located outside Brazil may be smaller or different from that required by Brazilian regulations applicable to simplified registration, the rules, procedures and internal controls for registration and "Know Your Client" may produce incompleteness in relation to the information required by current regulations.

1.75. This incompleteness will not be considered an irregularity if the Participant demonstrates the due diligence periodically taken to obtain such information. Such due diligence must be subject to specific presentation of effectiveness indicators in the Internal Risk Assessment, highlighting INR classified as OSFL, trusts, or exclusive investment funds.

1.76. Incomplete information is also not to be confused with outdated registration. If, when updating registration in accordance with current regulations, the Participant does not obtain all the registration data required by the regulations applicable to the simplified registration, but due diligence in the procedures for obtaining registration information is evident, the prohibition on accepting orders and operating accounts will not apply.

1.77. However, for clients who fall into such a situation, the Participant must adopt differentiated monitoring, described in the Policy, which must include more timely periodic reviews and additional verification procedures, with the aim of mitigating any risks associated with the lack of complete information.

1.78. If the client's foreign institution or custodian fails to provide the minimum INR registration information, as established in the contract with the Participant, the Participant will not be able to use the simplified registration for such clients.

1.79. The INR clients coming from a jurisdiction included in the restrictive lists, which are listed as non-cooperative or with strategic deficiencies, in relation to AML/CFT, must be monitored differently by the Participant, according to Policy.

H. Documentation and evidence

1.80. The documentation and evidence relating to compliance with the duties set forth in this Supervisory Standard must be maintained by the Participant within the period and under the conditions required by current regulations.

II. BSM's Approach

2.1. BSM's supervision and oversight of the duties set out in this Supervisory Standard is carried out continuously, through audit supervision and other forms of supervision, taking as reference the tests defined in the Audit Testing Guide or others as required by the regulator, with the purpose of verifying the Participant's compliance with the established standards.

2.2. During the Participant's supervision and monitoring of the client registration process, BSM verifies:

i. The existence of a Policy approved by the Participant's senior management and its effective provision to: (a) employees involved in managing the process; (b) clients at the beginning of the relationship, as well as to other institutions with which the Participant has a relationship, with their respective consent. The Participant may provide both clients and institutions with a summarized version of this document, which does not contain confidential or proprietary information;
ii. The existence and maintenance of rules, procedures, and internal controls capable of validating the identity of clients;
iii. In the case of clients who are not natural People, adequate identification of the ultimate beneficiary, in those situations where applicable, in addition to the record of the ongoing due diligence adopted for this purpose;
iv. In situations where the Participant chooses to maintain the relationship with the client even without identifying the ultimate beneficiary, the adoption, where applicable, of the following procedures: (i) differentiated monitoring established in the

Policy, in accordance with applicable law; (ii) a more thorough analysis to determine whether it is necessary to notify the Financial Activities Control Council ("COAF") if other warning signs are detected, in accordance with current regulations; and (iii) an assessment of the interest in maintaining the relationship with the client, in accordance with the Participant's Policy and governance;

v. whether the Participant has a "Know Your Client" process, containing the minimum requirements required by current regulations;

vi. the existence and completeness of registration data in relation to all the minimum content required by current regulations, both for the Participant and for the minimum data that must be reflected in B3's registration systems[40];

vii. the existence of active clients, not linked to the Participant, who are registered with the same domicile or residential address, work address, and/or email domain as the Participant, also considering the addresses and emails of the offices of Investment Advisors linked to the Participant;

viii. The compliance of the implemented registration process with the rules, procedures, and internal controls set forth in the Policy and other documents referenced therein, as well as the requirements of current regulations;

ix. Updating client registration records, respecting the maximum timeframe established in current regulations, as established in the Policy and in accordance with each client's risk classification criteria;

x. Whether the Participant keeps the registration trails archived and legible for the minimum period established in current regulations, to demonstrate the data contained in the current registration on a specific date;

xi. In the event of outdated registration records, whether the Participant has taken and recorded all necessary steps to update the records of all active clients;

xii. Events treated by the Participant as exceptions that led to intermediary transactions on behalf of clients with outdated or inactive registration, as established in the Policy,

[40] Conforme Ofício-Circular Conjunto CVM/SIN/SMI/SSE 01/25.

as well as the respective justifications, the steps taken, and the corrective measures adopted;

xiii. Whether the registration data is reconciled between the registration systems used by the Participant and B3's registration systems, within the limits of the reconcilable data;

xii. Demonstration that the registration systems have complete and sufficient audit trails, containing the minimum content established in current regulations, to ensure the tracking of additions, changes, updates, and deletions of registration data;

xiii. In the case of using an alternative registration system, that said system is described in the Policy, meeting the minimum established by this Supervisory Standard;

xiv. The link between the Master Account holder and the end beneficiary clients, based on the supporting documents presented by the Participant;

xv. Compliance with the Access Registration model, according to criteria defined in current regulations;

xvi. Submission of evidence regarding the mandatory and timely monitoring of the restrictive lists and whether, in relation to the restrictive list published by the UNSC, the Participant has adopted the appropriate measures under Law No. 13,810;

xvii. Presentation of evidence that the risks of the "Know Your Client" process were identified, analyzed, understood, classified, and appropriately addressed, with due focus on money laundering risks, terrorist financing risks, and the risks of proliferation of weapons of mass destruction; and

xviii. The methodology used and the results of the effectiveness indicators in the Internal Risk Assessment, as explained in the Policy.

2.3. BSM also continuously monitors compliance with the duties set out in current regulations and in this Supervisory Standard through MC²D, and may use, where applicable, the results obtained from this monitoring and made available in such routines in BSM's supervision and inspection processes.

III. Enforcement

3.1. Participants that fail to comply with the duties set out in the current regulations and in this Supervisory Standard will be subject to Enforcement measures, as set out in the BSM Procedural Regulations.

This Supervisory Standard will come into effect from July 1,2025.

Audits in the Year 2026

RETURN TO INDEX

Introduction

The supervisory standard aims to inform the methodology, updated for the year 2026, to present the results of audits and exemption criteria.

Publication History of Standards on the Topic

External Communication	Publication date	Status
BSM-15/2025	September 17, 2025	Effective from January 2, 2026
BSM-02/2025	Jnauary 23, 2025	Valid until December 31, 2025
BSM-24/2024	December 5, 2024	Revoked
BSM-06/2024	Jnauary 19, 2024	Revoked

Supervisory Standard on Audits in the year 2026

(Published through External Communication BSM-15/2025)

BSM Market Supervision ("BSM"), in the exercise of its functions, issues this update of the supervisory standard ("Supervisory Standard"), with the objective of informing Participants authorized to access the organized markets managed by B3 S.A. – Brasil, Bolsa, Balcão ("B3"), of the Listed and Over-the-Counter segments, the methodology, updated for the year 2026, for presenting the results of audits and exemption criteria.

The Supervisory Standard also provides guidelines for other audits, according to the work plan, under the terms of the Resolution of the Brazilian Securities and Exchange Commission ("CVM") No. 135/2022 ("RCVM 135").

Defined terms are in accordance with the BSM Glossary[41] or are defined in this Supervisory Standard.

The Supervisory Standard is divided into 9 (nine) sections: (I) BSM's Duty to Supervise and Monitor Participants Authorized to Access B3's Managed Organized Markets; (II) Audits Performed on B3 Listed and Over-the-Counter Participants; (III) Use of Results Obtained in the Continuous Joint Monitoring of Data ("MC²D") of the B3 Listed and Counter; (IV) Procedure to be Followed in Requests for Extension of Deadline; (V) Report of Regular Audits of Listed and Over-the-Counter; (VI) Assessment of Compliance with Delivery Deadlines; (VII) Result and Exemption of B3 Listed and Over-the-Counter Participants from Regular Audits; (VIII) Audit Processes Not Eligible for Exemption by Result; (IX) Audit by Self-Declaration; and (X) Maintenance of Access.

[41] Available at: https://www.bsmsupervisao.com.br/legislacao-e-regulamentacao/leis-normas-e-regras.

I. I. BSM's Duty to Supervise and Monitor Participants Authorized to Access B3's Managed Organized Markets

1.1. It is the responsibility of BSM, as self-regulator of the organized markets managed by B3 and under the terms of RCVM 135, to (i) supervise and monitor compliance with the operating rules of the organized market management entity and the markets managed by it, by Participants, including their administrators, employees and agents and (ii) impose penalties arising from the violation of the rules that it is responsible for monitoring.

1.2. BSM adopts a Risk-Based Supervision ("SBR") methodology, directing and focusing its efforts and resources on situations identified as posing the greatest risk to the market, supporting the Participant in controlling these risks and, consequently, mitigating the materialization of irregularities.

1.3. The issuance of standards or regulation of matters of interest to the securities market is not among BSM's responsibilities. It is its responsibility to supervise and monitor compliance with the set of CVM and B3 rules applicable to B3 Shareholders, as provided for in Law No. 6,385/1976, RCVM 135 and other applicable regulations.

II. II. Audits Performed on B3 Listed and Over-the-Counter Participants

2.1. Audits carried out by BSM in the Listed and Over-the-Counter segments of B3 assess Participants in accordance with the regulations applicable to their access category.

2.2. In these Audits, BSM assesses the Participants' compliance with the rules, pointing out any irregularities found in compliance with the legal and regulatory standards issued by CVM, the Central Bank of Brazil ("Central Bank"), the National Monetary Council ("CMN"), B3 and the guidelines of BSM's Supervisory Standards, when applicable.

2.3. 2.3. The details of what is assessed by BSM in each of the audited processes, the scope of the analyses conducted, the data and information and statements that may be requested from Participants are reflected in the Listed and Over-the-Counter Audit Test Scripts ("Test Scripts"), in the File and Trail Layout Manual or in other forms defined by BSM[42].

2.4. The Test Scripts and their attachments are confidential documents and the property of BSM, and their disclosure and publication by the Participant are restricted. The Participant's sharing of the Test Scripts is limited to its managers, employees, agents, and service providers who need access to them to monitor BSM's supervision and oversight work through audits, and to whom the obligation of confidentiality and non-disclosure also extends. These documents related to BSM's audit may only be shared among representatives of the Participant or an institution that is part of its financial conglomerate. Sharing them with third parties, including other institutions authorized as organized market administrators and their respective self-regulators, is prohibited without BSM's prior and express authorization.

III. Use of Results Obtained in MC²D Listed and Over-the-Counter

[42] Information available at: https://www.bsmsupervisao.com.br/Noticias/Manuais.

3.1. A BSM utilizará, no que aplicável, os resultados obtidos e disponibilizados nas rotinas do MC²D, considerando a entrega e processamento aplicável a cada *layout* no mês anterior ao início da Auditoria.

3.2. As stipulated in the Layout Manual, the duly validated layout must be submitted by the 10th business day of each month. Failure to comply with this requirement may be considered a failure to comply with BSM's request, in violation of Article 82 of RCVM 135, and may negatively impact BSM's SBR assessment of the Participant. BSM reiterates that it is available to Participants to provide support throughout the MC²D process, with the aim of improving the quality of layout deliveries and assisting in meeting established delivery deadlines.

3.3. For Participants that will undergo an Audit, if the layout is not delivered by the 10th business day of the month prior to the start of the Audit, BSM will consider the layout as undelivered and, in this situation, will request the pending layout during the Audit and will perform the necessary tests, reporting in the Audit Report the failure to send the layout within the established deadline, in violation of article 82 of RCVM 135, together with any notes identified during the processing of the tests.

3.4. It is the Participant's responsibility to ensure the accuracy of the information submitted to BSM. Any detection of files and data tracks (layouts) containing false or edited information will result in a report being issued in the relevant process due to the lack of integrity of the database, in addition to subjecting the Participant and its Directors to Enforcement measures under the BSM Procedural Regulations.

3.5. Data and information from MC²D routines may be used in other supervisions conducted by BSM.

IV. Procedure to be Followed in Request for Extension of Deadline

4.1. BSM will open the audit supervision work, during which the main updates that have occurred since the last audit, the period and scope of supervision and the expectations related to compliance with deadlines, quality and completeness of the delivery of data, information and documents requested within the scope of the audit will be addressed.

4.2. When opening the audit supervision work, BSM will forward to the Participant, through the BSM Portal, requests for information, trails and documents that will be used for analysis in the audit.

4.3. BSM requests must be formally responded to by the Participant, through the BSM Portal, within the established deadlines and with the required completeness.

4.4. The deadlines for responding to requests are stipulated by BSM, taking into account:

(i) the complexity of the clarification(s) and/or document(s) to be submitted;

(ii) the specific characteristics of each clarification and/or document requested; and

(iii) the urgency in providing the requested clarification(s) and/or document(s), considering the specific context of each audit conducted by BSM.

4.5. The Participant that requires an extension of the deadline initially established for meeting any requests made by BSM, must submit a request (“Extension Request”), in

writing, addressed to bsm@bsmsupervisao.com.br, indicating in the subject of the email "Request for Extension of Deadline for Request Item No. [=]", necessarily containing:

(i) detailed justification for the requested extension of the deadline; and

(ii) proof that the Extension Request is requested with the agreement of your Market Relations Director, in the case of an audit in the Listed segment, or the Director Responsible for the Over-the-Counter Segment, in the case of an audit in the Over-the-Counter segment[43].

4.6. Recurring requests for extensions, late deliveries, or failure to comply with BSM's requests, whether in whole or in part, may be considered a risk factor in the SBR adopted by BSM, in addition to constituting a violation of the provisions of art. 82 of RCVM 135 and the B3 Access Manual, subjecting the Participant and its Directors to Enforcement measures under the terms of BSM's Procedural Regulations.

V. Listed and Over-the-Counter Audit Report

5.1. Once the Audit is completed, BSM will issue a report outlining the results of the work performed ("Audit Report"), containing (i) any errors or irregularities identified in the Participant's failure to comply with regulatory and self-regulatory rules, as per the selected sample ("Audit Report with Notes"); or (ii) a list of the processes audited at the Participant and information on the absence of any notes in the Audit ("Audit Report without Notes"). This result, however, does not imply full compliance with the standards established in the securities market applicable to the Participant's activities.

[43] There is no fixed format to be followed by the Participant for the director's proof of agreement to the Request for Extension. It is sufficient that the director's agreement is clear and unequivocal, which may be in the form of a signed document, an email from the director requesting such extension, or the director's agreement to an email prepared by a Participant's employee.

5.2. Regardless of the Audit result, BSM will ultimately make the Audit Report available to the Participant for action, if applicable, to the Central Bank, CVM, and B3. B3 is responsible for evaluating the continued access granting of the Participant, in accordance with the B3 Access Regulation and B3 Over-the-Counter Regulation.

5.3. The Audit Report, as well as any other documents, information, and data exchanged between BSM and the Participant related to BSM's audit supervision, is protected by banking secrecy as referred to in Complementary Law 105/2001 and is intended to fulfill the Participant's obligations under the self-regulation of organized markets managed by B3, as established in current regulations. These documents may only be shared between representatives of the Participant or an institution that is part of its financial conglomerate. Sharing them with third parties, including other institutions authorized as organized market administrators and their respective self-regulators, is prohibited without BSM's prior and express authorization.

(i) Audit Report with Notes

5.4. When notes are verified in the Audit, BSM will send the Audit Report with notes for the Participant's manifestation, requesting the presentation of an action plan for the indicated notes, within a period of up to 15 (fifteen) business days, depending on the complexity and quantity of notes.

5.5. If the Participant requires an extension of this deadline, the request must be submitted to BSM, following the procedure described in Section IV of this Supervisory Standard. BSM may or may not accept the Request for Extension and will consider in its analysis the complexity of the notes and the recurrence of requests for extension of the deadline by the Participant to BSM.

5.6. The action plan to be presented by the Participant must contain the measures adopted or intended to be adopted to correct the notes contained in the Audit Report and to prevent their recurrence, accompanied by a schedule and indication of those responsible.

5.7. The Participant is responsible for structuring the action plan in a way that fully and satisfactorily addresses the points indicated in the Audit Report. BSM, at its discretion, may evaluate the submitted action plan and make considerations when it deems appropriate.

5.8. If the Participant needs to change the action plan or the completion date of any item in the action plan, they must notify BSM before the deadline by email at bsm@bsmsupervisao.com.br, which will evaluate the situation in accordance with the items above. If the action plan was submitted under a Commitment Agreement signed with BSM, any changes must be subject to further deliberation by the Self-Regulation Council, in accordance with BSM's Procedural Regulations.

5.9. Once the Participant has completed the implementation(s) indicated in its action plan(s), it is the Participant's duty to provide evidence of compliance with the plan(s) through the BSM Portal. The Directors involved are responsible for ensuring the accuracy and completeness of the information provided to BSM.

5.10. The delivery of evidence signaling the implementation of the plan(s) must occur regardless of whether BSM conducts a Follow-Up Audit[44] on the Participant to verify compliance with the action plan. It is the Participant's responsibility to comply with the obligations and rules applicable to their activities.

(ii) Presentation of Action Plan by the Participant

5.11. In the event of presentation of the action plan, BSM will close the Audit and may evaluate the implementation of the action plan in a Follow-Up Audit, after the expiration date of the longest plan or until the end of the following fiscal year, considering its SBR criteria.

5.12. The Participant must fully comply with the action plan so that the observation made in the Audit Report does not recur. In other words, the action plan and its implementation must be effective in resolving the observation. Therefore, the Participant must fully implement the measures proposed in the action plan in its processes and controls, addressing the root cause of the non-compliance and not just the specific observations in the Audit Report.

5.13. If non-compliance with the action plan or ineffectiveness of the process is found, BSM may apply Enforcement measures to the Participant, responsible directors and/or representatives, as applicable, in accordance with its Procedural Regulations.

[44] The Follow-Up Audit aims to verify compliance with the action plans agreed upon by the Participant for the correction of the notes indicated in the Audit Reports and will be carried out by BSM, following the risk-based supervision criteria, after the agreed deadline of this action plan.

(iii) Requirement for Participants to Supplement, Modify, or Alter the Action Plan and its Implementation Deadline in Audits

5.14. The action plan submitted by the Participant must contain the measures to be adopted to address the findings contained in the Audit Report, the responsible department, and a timeframe for implementing the proposed actions. Furthermore, the document formalizing the action plan must be signed by the Market Relations Director or the Director Responsible for the Over-the-Counter Segment, depending on the segment under supervision.

5.15. If any of these minimum requirements are not met, BSM will request a supplement to the action plan. BSM's requirements will be communicated to the Participant so that they can submit the necessary adjustments to the action plan within 15 (fifteen) business days, depending on the complexity and number of adjustments.

5.16. If the new action plan presented by the Participant meets the BSM requirements, its compliance will be assessed in accordance with items 5.9 and 5.10 of this Supervisory Standard.

5.17. If the Audit verifies non-compliance with the action plan due to failure to correct the note (non-execution or partial execution of the plan or lack of effectiveness of the implemented action), or the recurrence of notes, BSM may apply Enforcement measures against the Participant, its responsible directors and/or representatives, as per item 5.13 of this Supervisory Standard.

(iv) Application of Enforcement measures regardless of the presentation of an action plan

5.18. In cases where the findings found in the Audit Report are serious, material and recurrent, BSM, regardless of the presentation of an action plan by the Participant, may apply Enforcement measures to the Participant, its responsible directors and/or representatives, as the case may be, in accordance with its Procedural Regulations.

(v) Audit Report without Notes

5.19. If there are no findings in the audit process, BSM will send the Participant a Report describing the audited processes and informing them of the absence of findings in the Audit. This result, however, does not imply full compliance with the standards, since BSM's audit work may cover specific items of these standards, as mentioned in item 5.1 of this Supervisory Standard.

VI. VI. Assessment of Delivery Deadline Compliance

6.1. At the end of each Audit, BSM will publish in a specific section of the Audit Report the results of the Participant's assessment of the quality of service and adherence to delivery deadlines for items requested via the BSM Portal, classifying as satisfactory those Participants that achieve an index higher than 70% of deliveries within the deadline and without requests for deadline extensions.

6.2. To avoid delays in the analysis and, consequently, in the schedule and planning for the Audit work, it is essential that the Participant respond to BSM's requests within the established deadlines and that the documentation provided is fully in accordance with the request. At this point, BSM reinforces that the submission of evidence by the Participant after the Audit work has been completed will not be accepted, even if the Audit Report has not yet been sent to the Participant.

6.3. It is the Participant's responsibility to ensure the qualification, training, quantification and continuous training of its staff, which must be sized to meet the regulatory obligations to which it is subject.

VII. Result and Exemption of Listed and B3 Over-the-Counter Participants from Regular Audits

7.1. In accordance with the risk-based approach mentioned in section I above, BSM adopts a waiver mechanism for Participants subject to Regular Audits based on their results in these audits.

7.2. BSM is not obliged to grant the aforementioned exemptions, since, in addition to using the Participant's Result in the Regular Audit to apply said exemptions, it will take into account, for example, the existence of disciplinary administrative processes or other Enforcement measures at BSM, the existence and/or recurrence of analyses and cases with evidence of irregularities, complaints, processes before the Loss Compensation Mechanism with or without evidence of irregularities, as well as the risk analysis of the process or the Participant, carried out by BSM.

7.3. BSM calculates the result of the Participant's Regular Audit according to a specific criterion, which establishes that each item in the Audit Report is assigned a score, according to BSM's weighting and grading matrix. The sum of the scores for all applicable processes corresponds to the Participant's score, and the sum of the maximum possible score for all applicable processes corresponds to the maximum possible audit score. Therefore, processes not applicable to the Participant will not be counted in the score calculation.

7.4. Below is an example of how the Regular Audit result will be calculated:

Process	Score (A)	Score Maximum possible (B)	% Score Maximum possible (A)/(B)
Process 1	x_1	y_1	x_1 / y_1
...	...	...	...
Process n	X_n	Y_n	X_n / y_n
Total Score	$x_1 + ... + x_n$	$y_1 + ... + y_n$	$(x_1 + ... + x_n/(y_1 + ... + y_n)$

Participant Result in Regular Audit = $(x_1 + ... + x_n)/(y_1 + ... + y_n)$

Participant Result in the Process *k* (*k* de 1 a n) = x_k / y_k

7.5. The Participant's Result in the Regular Audit and the Participant's Result in the Audited Process may be used as a reference to exempt the Participant from the Regular Audit or from a process that is part of the Regular Audit, respectively.

7.6. The criteria used by BSM that may lead to the exemption of the Participant from the Regular Audit or from a process that is part of the Regular Audit are the following:

(i) up to two (2) work plans may be waived if the Participant's Regular Audit Result is less than or equal to 3%, consecutively, within a period of five (5) years;

(ii) Regular Audit processes may be waived if the Participant's Regular Audit Result is less than or equal to 3% for at least two (2) work plans, except for the processes listed in Section VIII of this Supervisory Standard;

(iii) according to BSM's SBR, a Participant waived according to the criteria described in

items "a" and "b" may not be audited in the work plan following their return from waiver; and

(iv) additionally, through its SBR methodology, BSM will organize its work plan to act with the duty to identify behaviors that may jeopardize the efficient and regular functioning of the market.

7.7. A newly qualified Participant at B3 will be eligible for exemption after carrying out at least one Regular Audit in which the results meet the criteria described in items 7.5 and 7.6 above.

7.8. For Participants with exemption from ongoing processes in 2026, the score to be considered in the calculation metric for the 2026 audit result will consider the last score of this Participant in the aforementioned exempted processes, taking into account the same items that were scored in the matrix for the last year in which the process was supervised.

ANO 1

PROCESSO	ESCOPO?	PONTUAÇÃO (A)	PONTUAÇÃO MÁXIMA POSSÍVEL (B)	% PONTUAÇÃO MÁXIMA POSSÍVEL (A) / (B)
Processo 1	Sim	16,00	495,00	3,23%
Processo 2	Não Aplicável	0,00	0,00	-
Processo 3	Sim	4,00	932,00	0,42%
...	Sim	0,00	289,00	0,00%
Processo 16	Sim	49,00	604,00	8,11%
TOTAL		SOMA (A)	SOMA (B)	(A) / (B)

ANO 2

PROCESSO	ESCOPO?	PONTUAÇÃO (A)	PONTUAÇÃO MÁXIMA POSSÍVEL (B)	% PONTUAÇÃO MÁXIMA POSSÍVEL (A) / (B)
Processo 1	Sim	20,00	430,00	4,65%
Processo 2	Não Aplicável	0,00	0,00	-
Processo 3	Dispensado	4,00	980,00	0,40%
...	Sim	0,00	412,00	0,00%
Processo 16	Sim	58,00	790,00	7,34%
TOTAL		SOMA (A)	SOMA (B)	(A) / (B)

The scoring and maximum possible score for the process may change from one year to the next, due to the removal of tests from the scope of supervision or the applicability of new regulations.

7.9. BSM will deliver individually to the Participant, and whenever possible, by the end of the work plan for the current year, the following information: (i) Participant's Result

in the Regular Audit; (ii) Participant's Result in the Processes; and (iii) Applicable Exemptions. This information is BSM's intellectual property, confidential, and is intended solely for the improvement of processes, internal controls, and compliance with applicable laws and regulations to the Participants. Under no circumstances may it be disclosed to third parties, including other EAMs, their respective self-regulatory bodies, and IOSMF, or used for commercial or promotional purposes.

7.10. The Participant exempted from the Regular Audit and the Regular Audit in a specific process may request BSM, within 15 (fifteen) business days from receiving the result of the exemption, by email bsm@bsmsupervisao.com.br, to maintain these audits, justifying the reasons for such request, with BSM being responsible for the decision to maintain the work program.

7.11. The exemptions mentioned in this Supervisory Standard do not cover other audits carried out by BSM and do not have a suspensive effect on the continuous delivery of data or any requests from BSM in its other MC²D, supervision and inspection routines, under RCVM 135.

VIII. Audit Processes Not Eligible for Exemption Based on Results

8.1. For the 2026 cycle, the following 5 (five) processes are not dispensable for the Listed Segment: (i) Register Clients; (ii) Internal Controls; (iii) Prevention of Money Laundering, Terrorism Financing and Proliferation of Weapons of Mass Destruction – AML/CFT; (iv) Supervision of Operations and Offers; and (v) Information Security.

8.2. For the B3 Over-the-Counter Segment, the following 4 (four) processes are not dispensable: (i) Registering Clients; (ii) Internal Controls; (iii) Prevention of Money

Laundering, Terrorism Financing and Proliferation of Weapons of Mass Destruction – AML/CFT; and (iv) Supervision of Operations.

8.3. Participants exempted from Regular Auditing may undergo a Specific Audit of the above-mentioned processes, according to BSM's SBR criteria considered for each segment. Depending on the result of this Audit, or any other monitoring and supervision routine performed by the self-regulation unit, BSM, based on its risk analysis criteria, may exercise the prerogative to suspend the Participant's current exemption, making the Participant eligible for audit in all applicable processes in the next work plan.

8.4. BSM will annually communicate the need to include or exclude processes exempt from Regular Auditing.

IX. Audit by Self-Declaration

9.1. BSM may use the self-declaration in its audit supervision.

9.2. The self-declaration consists of a standardized form, completed and signed by the Market Relations Director or the Director Responsible for the Over-the-Counter Segment, depending on the Segment, in which the Participant declares the procedures, controls and respective tests performed, as well as any non-conformities identified.

9.3. It is the Participant's duty to ensure the accuracy of the information provided to BSM. BSM will review the self-declaration form completed by the Participant and may verify the information provided therein to attest to its accuracy.

9.4. The discovery of false information in the self-declaration will subject the Participant and its Directors to Enforcement measures under the BSM Procedural Regulations, regardless of the outcome of the audit supervision.

X. Access Maintenance

10.1. As mentioned in item I of this Supervisory Standard, the supervision and inspection carried out by BSM supports B3, through the submission of Audit Reports and Audit results, in verifying the minimum requirements for maintaining the access grant of its Participants, as established in the B3 Access Regulation and the B3 Over-the-Counter Regulation.

10.2. The criteria used by BSM for the results and exemption of Participants from Regular Audits are not to be confused with the criteria used by B3 to analyze requests for granting, maintaining or revoking the B3 operational qualification seal ("PQO seal"), which take into account, in addition to the results of Regular Audits, other criteria established in the Bylaws of the Internal Certification Committee of the Operational Qualification Program, available on the B3 website.

This Supervisory Standard will take effect from the BSM's 2026 work program, repealing the previous Supervisory Standard on the subject, published through External Communication 2/2025-BSM, on Jnauary 22, 2025.

Internal Controls

RETURN TO INDEX

Introduction

The supervisory standard aims to reinforce the monitoring duties and procedures that must be observed by Participants regarding the maintenance of internal controls that comply with the current regulations and guidelines of the CVM and B3.

Publication History of Standards on the Topic

External Communication	Publication date	Status
BSM-17/2025	September 30, 2025	Valid from January 2, 2026

Supervisory Standard on Internal Controls

(Published through External Communication BSM-17/2025)

BSM Market Supervision ("BSM"), in the exercise of its functions, issues this supervisory standard ("Supervisory Standard"), with the objective of reinforcing the duties and monitoring procedures that must be observed by Participants in the Listed and Over-the-Counter segments regarding the maintenance of internal controls that comply with the regulations and current guidelines of the Brazilian Securities and Exchange Commission ("CVM") and B3 S.A. – Brasil, Bolsa, Balcão ("B3").

The content of this Supervisory Standard does not overlap with the provisions of other Supervisory Standards that address specific topics. This Standard should be understood as a document that seeks to cover, in a broader and more general manner, the topic in question, which is why the Participant must observe, in addition to the content set forth in this document, the other Supervisory Standards applicable to its activities and routines.

Terms defined in this Supervisory Standard are in accordance with the BSM Glossary[45] or are defined in this Supervisory Standard.

This Supervisory Standard is divided into 3 (three) sections, with their respective subsections: (I) Duties of Participants; (A) Implementation of Internal Controls; (A.1) Internal Controls Policy and equivalent documents; (B) Performance of responsible directors and the Internal Controls Director; (C) Performance of Senior Management; (D) Recurrence; (E) Ombudsman and guidance to Clients; (F) Documentation and evidence; (II) Performance of BSM; and (III) Enforcement.

[45] Available at: https://www.bsmsupervisao.com.br/normativos-bsm

I. Participant's Duties

A. Implementation of Internal Controls

1.4. Internal controls are formal processes defined in an institution with the objective of ensuring compliance with institutional rules and policies and with the duties and obligations arising from current regulations, and must cover control activities at all levels of the business and consider the risks to which the Participant is exposed ("Internal Controls").

1.5. In this sense, Internal Controls must aim to achieve the objectives of: (i) performance, which refers to the efficiency and effectiveness in the use of resources in the activities carried out; (ii) information, with regard to the disclosure, whether voluntary or mandatory, internal or external, of financial, operational and management data; (iii) establishment of effective standards of conduct; and (iv) compliance with current regulations.

1.6. It is essential that the Participant implement preventive measures to avoid errors, irregularities, or fraud. Furthermore, it is necessary to adopt detective measures that enable the identification of failures and irregularities in the procedures adopted. Situations detected by detective controls require the implementation of corrective actions to correct the identified failures and establish new procedures to prevent their recurrence.

1.7. The Internal Controls established by the Participant must be fully functional and effective, ensuring that their application transcends mere formality. To this end, it is essential that Internal Controls are compatible with the size, business model, products

and services offered, risks, complexity of processes, among other criteria. It is the Participant's duty to duly update the parameters of its operations based on constant monitoring, to ensure effective control of its activities, not merely symbolic compliance with applicable regulations.

1.8. In this context, it is necessary to adopt a Risk-Based Approach ("RBA") to ensure that the prevention and mitigation measures implemented are proportionate and appropriate to the mapped risks, thus ensuring compliance with current regulations and the effectiveness of Internal Controls. The minimum elements of the RBA must be considered the efforts implemented by the Participant to ensure the efficiency and effectiveness of (i) client registration, order transmission and execution, client specification, transactions with related parties, transaction transfer, payment and receipt of amounts, rules of conduct, and record keeping, covering both the intermediary's activities in the stock market and in the organized over-the-counter market; and (ii) monitoring of the information technology infrastructure, with special attention to the cybersecurity program, as provided for in CVM Resolution No. 35 ("RCVM 35").

1.9. The Participant must ensure that the implemented standards of conduct result in the exercise of its activities with good faith, diligence, and loyalty to its clients. Compliance with its performance will be observed based on the duties and obligations addressed throughout this Supervisory Standard, examples of which, but are not exhaustive, include the mitigation of conflicts of interest, the provision of adequate and complete information about the products and services offered to clients, the implementation of technology infrastructures and consequent business continuity plans, as well as the formalization of its performance in the applicable internal documents.

A.1 Internal Controls Policy and equivalent documents

1.10. The rules, procedures and Internal Controls defined by the Participant must be formalized, in writing, in a clear, detailed and verifiable manner, in the Internal Controls Policy and/or in other equivalent documents of the Participant ("Policy"), such as the Operating Rules and Parameters ("RPA"), also called Operating Standards and Parameters("NPA"), at the institution's discretion.

1.11. The Policy must be approved by the Participant's senior management, consisting of its administrators, directors, and other members or bodies holding management or high-level responsibility positions ("Senior Management"), who are responsible for supervising compliance with and the effectiveness of the procedures and controls adopted by the Participant.

1.12. Without prejudice to the provisions of current regulations, the Policy must contain, at a minimum:

(i) a clear definition of the responsibilities of those involved in ensuring compliance with the rules, procedures, and Internal Controls established by current regulations, which are the responsibility of other areas of the institution, ensuring the necessary independence and segregation to avoid potential conflicts of interest with other areas;

(ii) the effective mechanisms in place to ensure compliance with the confidentiality of client information, which includes:

a. guidelines for identifying and classifying sensitive data and information;

b. procedures adopted for recording relevant incidents, including their causes and impacts;

c. measures to protect client registration information and transactions performed to prevent unauthorized access, destruction, leaks, or tampering with data;

d. granting and managing individualized access to systems, databases, and networks; and

e. data segregation and access control. (iii) the procedure for maintaining the Participant's registration with B3, which must include, among other data, the designation of responsible officers, those responsible for the activities performed, the composition of the board of directors, and corporate documentation;

(iv) the form and frequency of monitoring carried out and the rules for identifying signs of irregularities;

(v) the manner in which the Participant handles alerts of signs of irregularities, the methodologies adopted for defining samples and analyzing the alerts and signs;

(vi) the frequency of updating and providing feedback on its rules, procedures, and Internal Controls, including new measures related to new or previously unmapped risks;

(vii) the monitoring carried out by the Participant of the transactions it brokers, with the purpose of ensuring that they are previously ordered by the client, executed under the conditions indicated by the client or under the best existing conditions, and that they do not entail excessive costs that are inappropriate for the Client's Investment Profile;

(viii) aspects related to information, such as:

a. Effective communication channels that ensure the Participant's employees and agents have access to understandable, reliable, timely, and relevant information for the performance of their activities and fulfillment of their responsibilities;

b. Adequate information flows;

c. Appropriate methodologies for recording and maintaining internal information;

d. Guidelines for the use of external information sources;

e. Reliable information systems and their respective security measures and independent monitoring for their maintenance; and

f. Requirements related to the proper processing of information in electronic format, with provision for an adequate audit trail;

(ix) the institution's guidelines on reporting identified signs of irregularities to the CVM and BSM, in addition to the Participant's treatment of clients involved in the identified signs.

1.13. O conteúdo mínimo mencionado no item 1.9 desta Norma de Supervisão não precisa estar necessariamente consolidado em documento único, podendo o Participante distribuí-lo em diferentes documentos, conforme considerar adequado. Caso algum item esteja descrito em um documento distinto ou separado, essa informação deve ser mencionada na Política, com especificação do título do documento separado, sua localização e a forma como eles se integram à Política, de modo a garantir a transparência e a conformidade com a regulamentação vigente.

1.14. It is the Participant's duty to oversee the implementation and compliance with these rules and Internal Controls, ensuring that they become part of the routine of its activities. In this sense, the Policy must be widely disseminated to all of the Participant's directors, employees, and agents, including those of its branches and subsidiaries, where applicable, as well as to relevant service providers.

1.15. The Participant may choose not to disclose all documents mentioned in item 1.10 of this Supervisory Standard to the relevant service providers, and this decision may be motivated by strategic, confidentiality, or information security reasons. Thus, the Participant may establish restricted access to these documents, ensuring that only authorized People who truly need this information to perform their functions have access to it.

1.16. Additionally, the Policy must be subject to periodic reviews and, whenever necessary, updated to adapt to changes in regulations and the Participant's own business. The version history of the Policy must be duly recorded and stored for the period stipulated by the current regulations, indicating the date of the new version. Any modifications must be immediately communicated to the Participant's administrators, employees, agents, and relevant service providers.

B. Performance of the responsible directors and the Director of Internal Controls

1.17. The regulation determines that intermediaries must appoint statutory directors who will be directly responsible, before the market and regulators, for ensuring compliance with and/or supervision of the standards issued by the regulators.

1.18. In addition to the designations established by the applicable regulations, the Participant must appoint a director to perform the role of Market Relations Director, who has the duties and responsibilities established in the rules issued by B3.

1.19. The appointment of different directors or a single director who performs the functions must comply with the situations expressly prohibited by current regulations and the rules issued by B3. In this regard, the Participant must ensure that the respective duties are performed without any conflict of interest.

1.20. Additionally, the Participant must appoint a director responsible for overseeing the Participant’s procedures and Internal Controls and for compliance with applicable regulations (“Director of Internal Controls”).

1.21. The Internal Controls Director must verify whether the monitoring, rules, procedures and Internal Controls have in fact been implemented by the Participant, and whether these controls are effective, acting with probity, good faith and professional ethics.

1.22. The Director of Internal Controls is prohibited from cumulating functions that imply possible conflicts of interest in the institution, examples of which include activities related to operations or the exercise of the function as directors responsible for CVM Resolution No. 32 ("RCVM 32") or RCVM 35.

1.23. The appointment of the responsible directors and the Director of Internal Controls must be communicated simultaneously to the CVM and B3 within the timeframe provided for in the current regulations.

B.1 Internal Structure of Internal Controls

1.24. The Director of Internal Controls must establish an independent internal structure that is compatible with the nature, size and business model of the Participant, with autonomy and authority to question the risks assumed in the activities performed by the institution.

1.25. The internal structure of Internal Controls must be composed of professionals with the technical qualifications and experience necessary to perform activities related to the internal controls function.

1.26. Internal Controls structure professionals must undergo periodic training, according to the frequency established in the Policy, or with a frequency that is

consistent with the identified risks, in addition to being carried out when there are updates to the rules, procedures and Internal Controls or to the current regulations.

B.2 Internal Controls Report

1.27. The Internal Controls Director must prepare and sign an Internal Controls Assessment Report ("RCI"), which must be a written document, in physical or electronic format, and capable of being verified. This document must be structured to reflect the Participant's characteristics and particularities and be compatible with the requirements of current regulations.

1.28. The RCI must be submitted to the Senior Management bodies specified in the Policy by the last business day of April of each fiscal year. Additionally, the Participant must keep the document available for submission to the regulator, BSM, and B3, upon request.

1.29. The submission of the RCI to members of Senior Management must be recorded by the Director of Internal Controls, using as evidence of submission: (i) minutes of the meeting, with the respective date, whose purpose is to inform them of the RCI, signed by all members of Senior Management; or (ii) another document, such as an email, that proves the submission of the RCI to all members of Senior Management.

1.30. The RCI must contain the description:

(i) the rules, procedures, and Internal Controls implemented by the Participant, specifying the preventive, detective, and corrective measures adopted;

(ii) the examinations performed individually, identifying:

a. the base period of their application;

b. the methodology applied and the criteria considered to define the examinations performed;

c. the criteria established for sample selection, which must be rigorous, so as to be statistically representative and reflect the reality of the control tested;

d. the procedures performed and the scope of the examinations; and

e. the results and conclusions obtained from the examinations performed, in detail;

(iii) nonconformities identified in the reference year:

a. by the Participant itself, through its lines of defense, or by external audit or equivalent; and

b. by the regulator, BSM, and B3;

(iv) the recommendations and action plans established by the Participant based on the results and conclusions of the examinations performed or the formally identified nonconformities, including any action plans submitted to BSM, with:

a. details of the respective actions taken to correct each of the identified nonconformities and deficiencies;

b. the measures adopted to prevent the recurrence of each of the identified nonconformities and deficiencies;

c. the deadline set for the implementation of the action plans and preventive measures in relation to each of the identified nonconformities and deficiencies; and

d. the designation of the area and individuals responsible for implementing each of the established action plans;

(v) the status of the ongoing action plans indicated in the previous year's report, as well as the effectiveness of the corrective measures and action plans implemented, especially with regard to preventing recurrences of nonconformities; (vi) when applicable, the reasons for noncompliance with the action plans established in a previous report, such as delays, changes, or other situations, along with the next steps defined by the Participant and the reports made to the regulator and BSM

communicating the noncompliance with the action plan resulting from audit findings;

(vii) the monitoring carried out by the Participant to confirm compliance:

a. the recommendation of products, services, and transactions to the client's investment profile and transactions carried out on behalf of clients (suitability);

b. the guidelines regarding the Loss Compensation Mechanism (MRP), including its applicability and main characteristics;

c. the execution of transactions based on prior orders from the client and whether the list of People authorized to issue orders on behalf of clients is up to date and includes the power of attorney formalizing the representation;

d. the registration procedures and timely updating of related information;

e. the maintenance of records and control of orders and positions and custody accounts held on behalf of clients; f. the procedures executed by the Participant regarding the activities of related parties and its own portfolio;

g. transactions, orders, and offers to prevent abusive practices;

h. the impossibility of granting loans and financing other than the exceptions provided for by applicable regulations;

i. the activities of operations professionals (including interns performing such functions), Investment Advisors, and outsourced professionals linked to the Participant, including those located in an external physical environment;

j. the deadlines and procedures established for processing Securities Transfer Requests (“STVM”) received;

k. the existence and validity of the certification of professionals operating in the organized markets managed by B3;

l. practices to prevent money laundering, terrorist financing, and the financing of the proliferation of weapons of mass destruction (“AML/CFT”); and

m. Implementing a social and environmental responsibility policy, which must contain principles and guidelines that guide social and environmental actions in the Participant's relationship with its clients, in accordance with current regulations;

Implementing an adequate structure and information security policy; and

Processing and controlling client data, aiming to ensure the confidentiality, authenticity, integrity, and availability of data and other sensitive information;

(viii) Evaluating Internal Controls related to the processes of receiving, transmitting, executing, and confirming orders, specifying and transferring transactions, client registration, risk management, custody, settlement, and payment processing and receipt of funds;

(ix) Evaluating the logical segregation of duties performed by the Participant's professionals, employees, and service providers, including the access to sensitive data and information to avoid potential conflicts of interest;

(x) recording unavailability situations in systems that impact client operations (trading systems) and recording client orders;

(xi) measures adopted to ensure information security and business continuity;

(xii) preparing, updating, and adequately communicating RPAs or NPAs to clients;

(xiii) assessing risks and cybersecurity, including:

a. analyzing their effectiveness;

b. identifying and recording threats to the internal computer network, systems, and data containing client information held in its custody; and

c. describing the measures adopted to mitigate identified vulnerabilities;

(xiv) reporting by the officer responsible for complying with the obligations established in RCVM 35 regarding the deficiencies found, which must include, at a minimum:

a. Information on the progress or completion of planned actions to address nonconformities and deficiencies identified in the previous fiscal year, including nonconformities and deficiencies identified by the CVM, BSM, and B3;

b. A description of the timelines for addressing nonconformities and deficiencies identified in previous reports, not limited to the previous fiscal year's report, indicating whether they were implemented and the outcome of the actions taken;

c. A reasoned assessment of the Participant's progress in complying with the requirements of RCVM 35 in the fiscal year in question; and

d. An assessment of the adequacy of the business continuity plan, indicating, if any,

needs for improvement and the process to which it refers;

(xv) the statement by the director responsible for compliance with the obligations established for the business continuity and information security plan, when applicable, as permitted by current regulations, regarding nonconformities and deficiencies found in the processes under their responsibility, in accordance with the Participant's information security policy, which must comply with the minimum content described in item (xiv) above, where applicable;

(xvi) the measures adopted to maintain files and documents related to the provisions contained in current regulations; and

(xvii) the individualized conclusion regarding the effectiveness of the internal controls implemented by the Participant in relation to each of the activities it performs, mentioning their effectiveness in identifying deviations or noncompliance with the institution's internal rules.

1.31. The Participant must formalize in the RCI, in a reasoned manner, any non-applicability of one of the minimum requirements provided for in the current regulations or in this Supervisory Standard, in the event that they are not applicable to its internal processes, if they are of little relevance or low risk in the context of the Participant's activities.

1.32. If the Participant chooses to reference another document that meets the minimum requirements, the RCI must indicate the document name, version, item, and page where the information can be found. Furthermore, this document will be considered complementary to the RCI and must be presented jointly to Senior Management, as described in items 1.25 and 1.26, and whenever requested by the regulator, BSM, and B3.

1.33. BSM makes available on its website a Guide designed to assist the Participant in preparing the RCI, containing guidance on the minimum content expected based on current regulations and clarification of questions frequently received from the market.

C. Senior Management Performance

1.34. It is the responsibility of the Participant's Senior Management, in addition to approving the Policy, to continuously supervise compliance with and the effectiveness of the rules, procedures, and Internal Controls, based on the RCI provided by the Internal Controls Director. To this end, it must ensure adequate and sufficient resources for the exercise of activities related to Internal Controls.

1.35. Additionally, Senior Management must establish an organizational culture with an emphasis on the relevance of Internal Controls and the engagement of each employee and representative in the process, intervening whenever necessary, providing adequate guidance and resources to resolve any problems or gaps identified in the implementation of the Policy.

1.36. The Participant's Board of Directors, or, where non-existent, Senior Management, is responsible for:

(i) ensure that Internal Control systems are implemented and maintained in compliance with current regulations and the provisions of this Supervisory Standard;
(ii) ensure the timely correction of identified failures, preventing recurrence of problems;
(iii) adopt the necessary measures to identify, monitor, and control risks, in accordance with the risk levels established by the institution; and

(iv) ensure that Senior Management monitors the adequacy and effectiveness of Internal Controls, as stipulated in item 1.31.

D. Recurrences

1.37. Repeated failures indicate inadequate implementation of rules, procedures, and internal controls by the Participant, in accordance with current regulations. In the context of BSM's audit oversight process, a Participant is considered a repeat offender when, in audits conducted in consecutive periods, the same failure is repeated in a specific procedure or control, resulting from the failure to implement, in whole or in part, an action plan previously submitted to BSM.

1.38. BSM documents the results of the work performed in an exception report ("Audit Report"), containing the findings of failures or irregularities found in the Participant's noncompliance with the regulatory and self-regulatory rules being verified in the audited processes. If findings are recorded, the Participant must prepare and submit to BSM an action plan that includes the measures already adopted, as well as those it intends to implement, aiming to promote improvements in the rules, procedures, and Internal Controls to correct the findings in the Audit Report and prevent their recurrence. The action plan must be accompanied by a detailed schedule establishing the deadlines and those responsible for implementing each of the proposed measures.

1.39. Considering that the recurrence of non-conformities identified in audit supervision, regardless of the audited process, represents an inadequate implementation of Internal Controls by the Participant, it is the Participant's responsibility to timely comply with the action plans submitted to BSM, seeking to

address and resolve in a complete and satisfactory manner all the points identified in the Audit Report.

1.40. Monitoring the execution of these action plans must be incorporated into the Participant's Internal Controls, and compliance must be monitored by the Internal Controls Director and reflected in the RCI, as mentioned in item 1.27 of this Supervisory Standard.

E. Ombudsman and guidance to clients about MRP

1.41. The Participant must establish an Ombudsman Channel, responsible for receiving, recording, analyzing, instructing, and responding to inquiries, suggestions, complaints, criticisms, compliments, and reports from clients related to securities market activities. This channel must act to resolve issues that have not been satisfactorily resolved by the Participant's conventional client service and relationship channels, and must operate in compliance with current regulations.

1.42. The Participant is also required to provide simplified guidance and information on the Loss Compensation Mechanism ("MRP") on its website, including information on the applicable individuals and markets, the timeliness for submitting a Request, the maximum compensation amount, and the channels for filing complaints with the CVM and BSM. Additionally, the Participant's website must provide access to the BSM website.

F. Documentation and evidence

1.43. The documentation and evidence relating to compliance with the duties set forth in this Supervisory Standard must be maintained by the Participant within the period and under the conditions required by current regulations.

II. BSM's Approach

2.1. Supervision and inspection by BSM in relation to the duties set out in this Supervision Standard is carried out continuously, directly and indirectly, through auditing and other forms of supervision and inspection, with the purpose of verifying the Participant's compliance with the established standards.

2.2. During the supervision and inspection of the Participant regarding the Internal Controls process, BSM verifies:

(i) the rules, procedures, and Internal Controls implemented that meet the requirements established in the applicable regulations;

(ii) whether the Internal Controls are fully functional, effective, and compatible with the size, business model, products and services offered, risks, process complexity, among other criteria;

(iii) the existence of a Policy approved by Senior Management, or another equivalent document of the Participant, such as the RPA/NPA, with an express description of the Internal Controls implemented and the minimum content described in the current regulations and this Supervisory Standard;

(iv) the Policy is made available to all administrators, employees, operators, agents, and other representatives of the Participant that performs intermediation or operational support activities, and relevant service providers, except as provided in item 1.12 of this Supervisory Standard;

(v) the appointment of statutory directors who will be directly responsible, before the market and regulators, for ensuring compliance with the obligations of the current regulations;

(vi) the appointment of a statutory director to serve as Market Relations Director, who has the duties and responsibilities established in the rules issued by B3;

(vii) the appointment of the Director of Internal Controls, and whether he or she does not simultaneously perform functions related to operations or serve as the director responsible for RCVM 32 or RCVM 35 at the institution;

(viii) the preparation of the RCI by the Director of Internal Controls, as well as:

a. its due, timely submission to Senior Management; and

b. compliance with the minimum requirements established in the current regulations and this Supervisory Standard;

(ix) compliance with the action plans presented by the Participant to correct points identified in the Audit Report;

(x) whether the points identified in the follow-up audit are recurrent when compared to Audit Reports from previous years, in disagreement with the action plan agreed upon by the Participant;

(xi) the structuring of an Ombudsman department in accordance with current regulations; and

(xii) whether the Participant's website provides clients with MRP guidance, in addition to access to the BSM website.

III. Enforcement

3.1. Participants that fail to comply with the duties set out in the current regulations and in this Supervisory Standard will be subject to Enforcement measures, as set out in the BSM Procedural Regulations.

This Supervisory Standard will come into effect from January 2, 2026.

AML/CFT

RETURN TO INDEX

Introduction

The supervisory standard aims to reinforce the monitoring and communication duties that must be observed by Participants in the Listed and Over-the-Counter segments regarding the prevention of money laundering, the financing of terrorism and the financing of the proliferation of weapons of mass destruction ("AML/CFT"), in view of the current regulations and guidelines of the CVM", as well as the standards issued by B3.

Publication History of Standards on the Topic

External Communication	Publication date	Status
BSM-18/2025	October 9, 2025	Effective from January 2, 2026
DAR-BSM-4/2020	September 21, 2020	Revoked

Supervisory Standard on AML/CFT

(Publicada através do Comunicado Externo BSM-18/2025)

BSM Market Supervision ("BSM"), in the exercise of its functions, issues this supervisory standard ("Supervisory Standard"), with the objective of reinforcing the monitoring and communication duties that must be observed by Participants in the Listed and Over-the-Counter segments regarding the prevention of money laundering, the financing of terrorism and the financing of the proliferation of weapons of mass destruction ("AML/CFT"), in view of the current regulations and guidelines of the Brazilian Securities and Exchange Commission ("CVM"), as well as the rules issued by B3 S.A. – Brasil, Bolsa, Balcão ("B3").

This Supervisory Standard seeks to cover the main AML/CFT guidelines established by current legislation and regulations and is not intended to exhaust all regulatory obligations inherent to the topic. It is the Participant's duty to verify the requirements applicable to their respective activities, considering their size, volume, complexity, activities they perform in the securities market, as well as the risks identified in their Internal Risk Assessment ("AIR").

The Participant's duties related to client registration, although mentioned in this Supervisory Standard, are covered in detail in BSM Supervisory Standard No. 10/2025 on Client Registration.

Terms defined in this Supervisory Standard are in accordance with the BSM Glossary[46] or are defined in this Supervisory Standard.

This Supervisory Standard is divided into 3 (three) sections, with their respective subsections: (I) Participants' Duties; (A) AML/CFT Policy; (A.1) "Know Your Client"

[46] Available at:: https://www.bsmsupervisao.com.br/normativos-bsm

Process; (A.2) “Know Your Employee,” “Know Your Relevant Service Provider,” and “Know Your Investment Advisor” processes; (B) Performance of the Responsible Director and senior management; (C) Risk-Based Approach; (C.1) Minimum criteria; (C.2) Risks; (C.3) Monitoring of financial and asset situation; (C.4) Monitoring and risk classification of Non-Resident Investors; (D) Internal Risk Assessment; (D.1) Internal Risk Assessment Report; (D.2) Effectiveness indicators; (E) Monitoring, analysis, and communication of atypical situations; (E.1) Analysis of atypical situations; (E.2) Analysis of alerts; (E.3) Duty to communicate; (E.4) Monitoring of restrictive lists; (F) Training and capacity building; (G) Documentation and evidence; (II) BSM’s Approach; and (III) Enforcement.

I. Participant’s Duties

1.1. It is the duty of the Participants of the organized markets managed by B3, within the limits of their attributions, to identify, analyze, understand and mitigate the risks of money laundering, terrorist financing and financing of the proliferation of weapons of mass destruction (“AML/CFT”), in accordance with the current regulations, adopting a Risk-Based Approach (“RBA”) to ensure that the prevention and mitigation measures are proportional to the risks identified to ensure compliance with the current regulations.

1.2. It is essential that Participants and their administrators, employees and agents are aware of the need to monitor and establish controls related to the prevention of terrorist financing and the financing of the proliferation of weapons of mass destruction. These present important distinctions, which result in different forms of control by Participants in fulfilling their obligations.

Features	Financiamento ao Terrorismo	Financing the Proliferation of Weapons of Mass Destruction
Main objective	Combating the financing of terrorist acts and terrorist organizations	Prevent the proliferation of nuclear, chemical, and biological weapons to non-state actors
Focus of action	Groups and individuals who commit or plan terrorist acts	Weapons of mass destruction proliferation networks and their technological components
Financing characteristics	Resources directed to fund operations, training and maintenance of terrorist groups	Resources allocated to the acquisition, development and transfer of technologies and materials for the production of weapons of mass destruction
Monitoring profile	Concentration on individuals, small cells and proximity to support networks	Concentration in non-financial legal entities, especially those engaged in the marketing, export, or provision of services related to sensitive goods. These goods include, but are not limited to, dual-use goods, as well as goods used in the nuclear, chemical, and biological fields. Furthermore, other goods and services that, in whole or in part, contribute to the development, production, or use of weapons of mass destruction, as well as attack systems, including missiles armed with such weapons, are considered..

1.3. The Participant must take the necessary steps in its rules, processes, internal controls and supervision routines to observe the commands related to the topic of AML/CFT, in the universe of relevant clients, employees and service providers.

1.4. A proper understanding of the different characteristics and dynamics of AML/CFT does not mean that the hypotheses are necessarily mutually exclusive, but that they require differentiated care in the Participant's rules, procedures and internal controls.

A. AML/CFT Policy

1.5. 1.5. It is the Participant's duty to implement and maintain internal rules, procedures and controls for monitoring in order to identify signs of ML/CFT, which must be described in detail in the Participant's AML/CFT Policy (“Policy”) or in other internal regulations of the Participant, provided they are focused on AML/CFT and expressly referenced in the Policy.

1.6. The Policy must be approved by senior management, implemented and widely communicated to all employees of the institution, including its branches and subsidiaries, where applicable, and must also be disclosed to service providers, as applicable.

1.7. The Participant must ensure that Investment Advisors and other employees linked to it are subject to its Policy, as well as to the rules, procedures and internal controls relevant to AML/CFT, in accordance with current regulations, and it is the Participant's responsibility to monitor compliance with these guidelines by such employees.

1.8. Without prejudice to the provisions of current regulations, the Policy must contain, as a minimum:

(i) a description of the RBA process, considering the minimum criteria defined in section

C.1 of this Supervisory Standard;

(ii) the “Know Your Client,” “Know Your Employees,” and “Know Your Relevant Service Providers” processes, and, when applicable, the “Know Your Investment Advisor” process, as described in sections A.1 and A.2 of this Supervisory Standard;

(iii) a description of the AIR, considering the information described in section D.1 of this Supervisory Standard;

(iv) a suitability process, including a description of the monitoring performed and the procedures used by the Participant regarding the registration, maintenance, and contact with clients who qualify for assessment and classification into risk profile categories without completing a specific questionnaire, or who indicate the need for differentiated treatment and may result in the requirement to fully complete the investor profile, as per Joint Circular Letter No. 1/2024/CVM/SMI/SIN, examples of which are:

a. Significant contributions of resources by the client;

b. Achievement of atypical financial results; and

c. Abusive use of the client's express statement that they are aware of the absence, outdated, or inadequate profile;

(v) criteria of materiality, recurrence, accumulated history, among others, for selecting alerts to be analyzed, if the Participant does not perform a comprehensive analysis of all alerts;

(vi) roles and responsibilities of the areas and sectors focused on AML/CFT, including senior management;

(vii) systems used by the Participant for AML/CFT purposes;

(viii) how external data sources are consulted; restrictive lists related to economic

sanctions, terrorist activities, financing of the proliferation of weapons of mass destruction, and other financial crimes; search engines; databases and/or regulatory agencies for independent verification of derogatory information;

(ix) a procedure describing the methodology and frequency of monitoring restrictive lists, which must be evaluated on a recurring basis by the Participants;

(x) procedures adopted for mandatory compliance with the freezing and unavailability of assets, rights, and values resulting from United Nations Security Council ("UNSC") resolutions;

(xi) procedures adopted for mandatory and ongoing monitoring, aiming to monitor UNSC resolutions and identify assets, rights, and values held or owned by individual or legal entity clients subject to sanctions arising from these resolutions, indicating which department carries out this identification, how the communication is made to the Ministry of Justice and Public Security ("MJSP"), as well as to the CVM and COAF, as applicable;

(xii) procedures adopted for the differentiated and ongoing monitoring of clients included on restrictive lists;

(xiii) procedures adopted for monitoring and evaluating the AML/CFT program by internal audit, when applicable, and external audit, as well as by the internal controls, compliance, risk management, or equivalent department that is independent of the AML/CFT department;

(xiv) processes employed to address noncompliance events or failures identified in AML/CFT program testing and how these are reported to senior management;

(xv) processes for testing the effectiveness of the AML/CFT program, indicating the frequency with which the tests are conducted and the department responsible for their implementation; and

(xvi) processes employed for storing and maintaining information and recording AML/CFT analyses, within the timeframe established in current regulations.

1.9. It is possible to adopt the same Policy for institutions that are part of the same financial conglomerate, in which case the Policy must detail the institutions covered and the peculiarities of each of them.

1.10. The Policy must be subject to periodic reviews and, when necessary, updated to adapt to regulatory changes and risk assessment, and the version history of the Policy must be duly recorded and stored for the period stipulated by current regulations, including the indication of the implementation period or the date of the update of the new version.

A.1 “Know Your Client” Process

1.11. The Participant must establish in its Policy the "Know Your Client" process, aiming to define not only the procedure for identifying, collecting, and validating client registration data, but also the ongoing efforts to obtain supplemental information. Furthermore, the Participant must establish the criteria and frequency for updating the registration of all active clients, observing the maximum interval defined in the current regulations.

1.12. The “Know Your Client” process must also contain a description:

(i) detailed criteria for classifying clients' risk and procedures for reviewing and updating the classification;

(ii) criteria and frequency for updating client records, according to the risk classification;

(iii) procedures for adequately classifying the risk of clients in the form of trusts and Politically Exposed People ("PEPs"), with which the Participant maintains relationships, with a due description of the due diligence implemented for proper monitoring;

(iv) procedures for adequately classifying the risk of Non-Governmental Organizations ("NGOs") and non-profit organizations, Brazilian or foreign, with which the Participant maintains relationships, with proper identification of individuals with influence within such organizations and a description of the due diligence implemented for proper monitoring;

(v) measures adopted to comply with the unavailability determinations imposed by UNSC sanctioning resolutions, in relation to its clients; and

(vi) the steps taken by the Participant to identify the ultimate beneficiary, including Non-Resident Investors (“NRIs”), and the handling of situations in which it is not possible to obtain registration information and/or identify the ultimate beneficiary.

A.2 “Know Your Employee,” “Know Your Relevant Service Provider,” and “Know Your Investment Advisor” Processes

1.13. The Policy must incorporate "Know Your Employee" processes, taking into account the AML/CFT risk associated with the duties performed, the position held by the employee, and their professional history. This aims to verify whether the employee has any connection to financial crimes, money laundering, or similar irregularities, in addition to considering other relevant information, depending on the complexity and the Participant's business model.

1.14. Similarly, the Policy must include a “Know Your Relevant Service Provider” process, to verify whether they have AML/CFT policies and practices compatible with those adopted by the Participant itself, considering the contracted activity, the ML/CFT risk it represents and the purpose of the relationship with the third party.

1.15. Where applicable, the Participant must maintain a “Know Your Investment Advisor” process, highlighting the responsibility of the Investment Advisor’s responsible director in supervising its activities and in complying with the Participant’s policies, rules, procedures and internal controls applicable to it, in accordance with current regulations.

B. Performance of the Responsible Director and senior management

1.16. It is the duty of the Participant's senior management to commit, engage and provide adequate resources to implement processes and controls aimed at AML/CFT.

1.17. The Participant's senior management bodies are responsible for approving the rules, procedures and internal controls and for the adequacy of the Policy, as well as for the AIR, which is responsible for the evaluation, monitoring and supervision of all matters involving AML/CFT, and must be timely aware of the compliance risks related to ML/CFT.

1.18. Without prejudice to the responsibilities of senior management bodies, the Participant must appoint a statutory director responsible for compliance with current regulations related to the AML/CFT issue (“Responsible Director”).

1.19. The appointment of the Responsible Director must be communicated to CVM and B3 within the period provided for in current regulations.

1.20. To ensure due compliance by the Participant with the obligations established by current regulations, the Responsible Director must:

(i) possess independence, autonomy, and technical knowledge;

(ii) have broad, unrestricted, and timely access to all information relevant to the Participant's activities; and

(iii) ensure that the data necessary for the performance of their duties and those of their team, especially regarding the effective management of ML/CFT risks, are used appropriately and in a timely manner.

1.21. The Responsible Director is prohibited from accumulating functions that imply possible conflicts of interest in the institution, especially with the business areas.

C. Risk-Based Approach ("RBA")

1.22. The Participant must establish an RBA process that employs a methodology with preventive measures proportional to the identified risks. This process must be geared toward optimizing human, material, and information resources, thus enabling effective management of activities related to the identification, monitoring, analysis, understanding, and mitigation of ML/CFT risks.

1.23. The description of the Participant's RBA process must be part of the Policy or other internal regulations of the Participant, if they are focused on AML/CFT and referenced in the Policy.

C.1 Minimum criteria

1.24. The Participant's RBA methodology must meet, at a minimum, the following criteria:

(i) formalized in a written document;

(ii) have an effective date;

(iii) describe the governance structure, defining roles and responsibilities;

(iv) be approved by senior management;

(v) describe:

a. how the Responsible Officer will have access to relevant information and AML/CFT controls;

b. the mechanisms for exchanging information between the internal control areas of Participants belonging to a financial conglomerate, to ensure compliance with the obligations established in current regulations;

c. the criteria and risk classification of clients, products, and services, their respective distribution channels, trading and registration environments, segmenting them, at a minimum, into low, medium, and high risk;

d. the criteria and frequency for reclassifying the risk of clients, products, and services, based on changes in risk observed at any time, including due to monitoring results and

the annual AIR report;

e. The criteria for continuous monitoring of clients and transactions, defining enhanced monitoring in cases of failure to identify the ultimate beneficiary or incomplete registration information;

f. A description of reactions to (i) signs of atypicality identified as a result of continuous monitoring; and (ii) situations eventually verified, when there is complete information to enable such an assessment, such as relevant court decisions, convictions for ML/CFT practices affecting clients, among others;

g. The processes for obtaining and evaluating information relevant to client risk analysis, defining the concept of relevant information;

h. Consistency between the risk level and the Participant's monitoring/response, demonstrating differentiation by risk level; and

i. The evaluation of information relevant to risk analysis through the review and update process.

1.25. 1.25. The RBA methodology adopted must consider the elements analyzed by the Participant in its AIR, so that the risks mapped in relation to clients and their respective relationship chains, as well as the products offered, services provided and respective distribution channels and trading and registration environments, are mitigated with the application of the RBA methodology.

1.26. The Participant is permitted to use a single RBA for all institutions within the same financial conglomerate, or the RBA of third parties, such as those of a foreign intermediary institution or the client manager, for risk classification of INR clients. The methodology used by the Participant must be described in the Policy and must be consistent with the Participant's rules, procedures, and internal controls, ensuring full

compliance with regulatory obligations, also reflecting this aspect in the effectiveness indicators.

C.2 Risks

1.27. The Participant must develop and apply its RBA methodology considering, when classifying the client's risk, at least the following criteria: (i) jurisdiction; (ii) entities in the relationship chain; (iii) products and services, their respective distribution channels, as well as trading and registration environments; and (iv) clientsclient.

C.2.1 Jurisdiction risk

1.28. The Participant must analyze the ML/CFT risk factors associated with the jurisdiction of origin and residence of clients, whenever there is complete information to allow such assessment. The Participant must pay attention to jurisdictions that present the following characteristics:

(i) subject to sanctions or similar measures issued by international organizations, such as the United Nations ("UN");

(ii) that do not apply or insufficiently apply the recommendations of the Financial Action Task Force ("FATF"), according to restrictive lists published by this body;

(iii) with favorable taxation or subject to privileged tax regimes, according to regulations issued by the Brazilian Federal Revenue Service; and

(iv) border zones.

C.2.2 Relationship chain entity risk

1.29. The Participant must consider the characteristics of the entities involved in the relationship chain up to the client, and must observe the entities that act on behalf of the client, from the issuance of the order to its execution by the Participant, examples of which are asset managers and fiduciary administrators.

1.30. Considering the complexity of the relationship chain up to the client, as well as the completeness and quality of the information to which it can have access about the entities in the chain, the Participant must make and document efforts to identify entities that are part of the relationship chain, up to the client, that:

(i) do not perform ML/CFT risk control, or have controls below the standard expected by Brazilian AML/CFT regulations;

(ii) other clients are classified as high risk, without adopting satisfactory mitigation measures, or whose control quality cannot be assessed by the Participant based on the information to which they have access;

(iii) are under investigation or have criminal convictions, particularly related to financial crimes, as applicable;

(iv) are in a higher-risk jurisdiction or with less robust MLP/CFT structures;

(v) have a history of unremedied noncompliance with securities market regulations, or have been mentioned in reliable information sources for MLP/CFT irregularities; and

(vi) promote the refusal, justified or unjustified, to collaborate in information sharing. In these cases, unjustified refusal should be understood as a situation of greater risk than one in which the justification is considered accepted by the Participant.

C.2.3 Product or service risk

1.31. Participants may offer products and services to their clients through different distribution channels and in different trading and registration environments. The RBA must consider the risks associated with each product or service offered, classifying them as, at a minimum, low, medium, or high risk. Furthermore, it is essential to analyze how the form of offering or the nature of the product or service may generate potential vulnerabilities to ML/CFT practices.

1.32. These are minimal risks related to products or services to be considered:

(i) geographic reach of the product or service, such as those whose underlying assets are traded in higher risk jurisdictions;
(ii) products with unusual complexity or structure or without economic basis; and
(iii) products or services that facilitate the transfer of resources through simulated or artificial transactions in the securities market, for example, due to the trading or registration environment in which they are carried out, or due to characteristics such as the liquidity of the underlying asset.

C.2.4 Client Risk

1.33. The Participant must assess the risks related to the client, considering aspects such as their occupation or sector of activity, the products and services they use, and the transactions carried out in the securities market on their behalf. Furthermore, it is essential to continuously monitor this information and other relevant information, such

as changes in the National Classification of Economic Activities ("CNAE") of legal entity clients.

1.34. The Participant's RBA methodology must address the applicable risk treatment in relation to clients in the following circumstances, at a minimum:

(i) characterization as a PEP, a family member of a PEP, or a legal entity controlled by a PEP;

(ii) characterization as a non-profit organization;

(iii) corporate nature without economic basis, whose complexity is not justified by apparent benefits;

(iv) economic activity of non-financial legal entities, with special attention to those involving the export, sale, or provision of services related to sensitive goods, including, but not limited to:

a. dual-use goods;

b. goods used in the nuclear, chemical, and biological fields;

c. goods and services that, in whole or in part, contribute to the development, production, or use of weapons of mass destruction; and

d. attack systems, such as missiles armed with weapons of mass destruction;

(v) existence of a representative who unjustifiably refuses to provide client information, or who alleges an inapplicable impediment, whether contractual or legal, or whose information provided is inconsistent, in the Participant's judgment;

(vi) sanction applied to a client by a national or international authority related to ML/CFT or responsible for supervising transactions in the securities market, and the Participant may consider the possible existence of a conduct adjustment agreement or instrument that produces similar effects;

(vii) mention of the client in news reports from reliable media outlets related to ML/CFT or financial crimes, or indicating that the client has:

a. committed or attempted to commit terrorist acts, participated in them, or facilitated their commission, or

b. carried out transactions likely to be associated with the financing of terrorism and the proliferation of weapons of mass destruction, as provided for in Law No. 13,260 of March 16, 2016 ("Law No. 13,260");

(viii) citation of a client as a suspect in reports related to ML/CFT or financial crimes, produced by competent national and international authorities;

(ix) development of activities by a client in a jurisdiction considered non-cooperative, according to reports from the FATF and other competent bodies on the matter; (x) clients whose places of origin or residence are related to the locations listed in section C.2.1 of this Supervisory Standard;

(xi) transactions with securities subject to sanctions imposed by the UNSC resolutions referred to in Law No. 13,810 of March 8, 2019 ("Law No. 13,810");

(xii) securities owned or controlled, directly or indirectly, by a client who has committed or attempted to commit terrorist acts, participating in them, or facilitating their commission, as provided for in Law No. 13,260; and

(xiii) requests to the Participant to transfer funds or securities to accounts in jurisdictions considered to be higher risk or without economic justification for the transaction.

1.35. For clients who, as defined in the Policy, are classified as blocked from carrying out transactions by the Participant, but who remain active on B3, an appropriate risk classification according to RBA guidelines is essential.

1.36. Additionally, the Participant must verify whether the client qualifies as a PEP and adopt any necessary additional control measures, considering the specific risks associated with this category. The Participant may use external data sources, such as bureaus, to classify PEPs, while also maintaining a mandatory consultation and evaluation of all individuals listed in official public databases, such as the list published by SISCOAF.[47].

1.37. The Access Registration does not relativize the mandatory risk classification of the client, which should not be confused with the investment profile classification established in the current regulations. The Participant must classify the client and proceed with their reclassification on an ongoing basis, ensuring that any change in the client's circumstances or behavior is reflected in their risk classification.

1.38. Regarding risk reclassification, the Participant must store evidence that the criteria set out in the documents that make up the RBA of all clients that were reclassified were considered.

C.3 Monitoring of financial and asset situation

1.39. The Participant must implement mechanisms to deal with situations in which it is not possible to obtain registration information, especially regarding the qualifications

[47] SISCOAF is a virtual environment for the exclusive use of individuals and legal entities designated by Law No. 9,613 of March 3, 1998, with controlled access. A public version of the PEP list is made available by the Comptroller General of the Union ("CGU") on the Transparency Portal (available at: https://portaldatransparencia.gov.br/download-de-dados/pep). However, it is important to note that the public database omits the CPF (Individual Taxpayer Registry) of the designated individuals, which may hinder effective monitoring by the Participant. This limitation can pose an additional challenge in identifying and managing risks associated with clients who fall into this category.

and financial and asset capacity of clients. To this end, the Participant may use additional information to help infer the financial capacity of clients, ensuring that this information is effective and aligned with the methodology of its "Know Your Client" process.

1.40. These are non-exhaustive examples of additional information that may be used to determine the financial capacity of clients, as applicable:

(i) if an individual, updated information on income and financial situation;

(ii) if a legal entity, except for legal entities whose securities are admitted to trading on an organized market, updated information on the average monthly revenue for the last 12 (twelve) months and their respective financial situation;

(iii) if investment funds registered with the CVM and other entities, updated information on the financial and financial situation;

(iv) the value of the client's managed portfolio;

(v) public research on the client's financial statements and billing data;

(vi) information about the client contained in databases to which the Participant has access;

(vii) the client's financial transaction volume, obtained through transaction history during the relationship with the Participant; and

(viii) the value of the monitoring limit assigned to the client, in accordance with the Policy or similar regulation.

C.4 INR risk monitoring and classification

1.41. In addition to classifying the INR client's risk, the Participant must detail in its Policy the additional criteria that will be used to analyze INR transactions or for atypical situations involving these clients, regardless of the risk classification assigned to them.

1.42. When the Participant does not have access to all the information required by Brazilian regulations, including that related to the simplified registration of INR clients, he may consider the RBA of the entities involved in the relationship chain associated with that INR client, as well as the continuous monitoring of that client throughout the relationship.

1.43. Where the INR client is a fund or similar investment vehicle managed by a foreign portfolio manager, and the Participant does not have access to all information about the INR, it may consider the RBA of the manager or equivalent entity in its jurisdiction to support its risk assessment of the INR.

1.44. The monitoring carried out by the Participant must focus on the securities transactions carried out on behalf of the individual INR client, and not on the transactions of the foreign manager.

1.45. The Participant must be aware of the risk methodology used by the foreign institution to classify the other entities in the relationship chain up to the INR client. All entities that provide securities services between the issuance of the order by the INR client (or on its behalf) and its execution by the Participant are part of this relationship

chain. The Participant must consider any events that become aware of that indicate relevant red flags related to AML/CFT in any entity in this chain.

1.46. Therefore, the Participant may adopt the risk classification of an INR client that has been assigned by a foreign institution or other entity in the relationship chain, if it is aware of the RBA methodology used by that institution or entity in the relationship chain and ensures that this methodology is in line with its own RBA. In this case:

(i) If the RBA of the foreign institution or entity in the relationship chain is incomplete in relation to the minimum requirements of current Brazilian regulations, the Participant must supplement it, taking steps to meet the missing minimum requirements;

(ii) the Participant must also assess the risks inherent in replicating the RBA of the foreign institution or entity in the relationship chain that is not compatible with that required by current Brazilian regulations; and

(iii) the Participant must demonstrate that it has conducted the routines provided for in the "Know Your Client" process according to the RBA risk classification adopted for reproduction, a fact that does not exempt it from monitoring all transactions it brokers on behalf of the INR client in the Brazilian securities market.

1.47. When the Participant assesses that the manager or representative of an INR client presents a higher risk of ML/CFT, the risk rating of the represented INR shall be influenced by the high risk of the service provider linked to it, unless the Participant has a well-founded justification to the contrary. Similarly, the high risk rating of an INR client shall only affect the risk rating of other INR clients linked to the same manager if there is some collaboration with the atypicality identified in the INR client classified as having the highest risk.

D. Internal Risk Assessment

1.48. The Participant must prepare and formalize in writing an AIR to understand its level of risk acceptance, recognizing the elements that may increase or decrease the possibility of an ML/CFT transaction. For this assessment, the Participant must consider its size, volume, complexity, and activities to better understand and classify the risks involved in its transactions.

1.49. The Participant's AIR must involve, at a minimum, the risk categories indicated below:

(i) client risk profile;

(ii) risk profile of products and services provided;

(iii) risk profile of distribution channels and trading and registration environments in which it operates; and

(iv) risk profile related to the institution's relationship with other parties subject to AML/CFT regulation.

1.50. Each category must be classified into at least three risk levels: low, medium, or high. Furthermore, the characteristics that justify the adopted risk profile and the risk classification assigned to each category must be presented.

D.1 Internal ML/CFT Risk Assessment Report

1.51. The Participant must prepare an AIR report ("RAIR"), which must be forwarded to the senior management bodies specified in the Policy, by the last business day of April of each fiscal year.

1.52. The Participant must record the submission of the RAIR to senior management, using as evidence of submission: (i) dated minutes of a meeting to inform the RAIR, signed by all senior management members; or (ii) another document, such as an email, that proves the submission of the RAIR to all senior management members. In addition, the Participant must keep the document available for submission to the regulator or BSM, upon request.

1.53. Relevant information for the composition of the RAIR:

(i) the frequency of identification and validation of clients classified as PEPs or non-profit organizations;

(ii) the risk allocation of all clients;

(iii) the existence of clients established in the form of trusts, when applicable, with a description of the steps taken to identify the trust's members and ultimate beneficiaries; and

(iv) the existence of clients established in the form of exclusive funds, in Brazil or abroad, or of corporations, when applicable, with a description of the steps taken to identify the ultimate beneficiaries of exclusive funds abroad or corporations.

1.54. The Participant must formalize in its RAIR any non-applicability of one of the mandatory items provided for in the current regulations or in this Supervisory Standard.

1.55. The RAIR must specify the parameters used to identify, analyze, understand, and classify risks. Furthermore, it must demonstrate that the samples analyzed are statistically significant and representative, referencing the description of the methodology and criteria used for sample selection and the frequency of testing, as well as the tests applied, indicating the document (name and version) where this information is described.

1.56. The Participant must highlight in the RAIR, individually, the actions taken to implement specific measures aimed at preventing: (i) money laundering; (ii) financing of terrorism; and (iii) financing of the proliferation of weapons of mass destruction.

1.57. The Participant must store all effectiveness tests that are part of the RAIR, including, at a minimum, the procedures performed, the databases used, and the results obtained. These tests must be stored and made available to BSM for the period established in the current regulations.

1.58. BSM provides a guide on its website to assist Participants in preparing the RAIR, clarifying relevant doubts and providing guidance on the minimum expected content.

D.2 Effectiveness indicators

1.59. Effectiveness indicators aim to assess the effectiveness of the Participant's rules, procedures, and internal controls, as well as their ability to mitigate the risks associated with ML/CFT, in accordance with their business model. In this context, the effectiveness assessment allows the Participant to identify potential flaws in control mechanisms, verify the adequacy of risk mitigation strategies, and diagnose the efficiency of the implemented processes.

1.60. The Participant must promote the necessary improvements, as determined in the evaluation resulting from the effectiveness indicators, through the development of action plans. Senior management must commit to the results of this evaluation and to monitoring any established action plans, including providing input and suggesting improvements to the implemented processes.

1.61. The analysis of effectiveness indicators must be continuous, in order to encourage the constant improvement of the Policy and the Participant's rules, procedures and internal controls.

1.62. The Participant must establish in its Policy the effectiveness indicators considered. If the Participant uses a single RBA for all institutions that make up the same financial conglomerate, as per item 1.26 of this Supervisory Standard, it must specify in its Policy the applicable effectiveness indicators.

1.63. The Participant must present the effectiveness indicators in the RAIR, so as to include the metrics and criteria adopted for the effectiveness analysis, including the timeliness of the detection, analysis, and communication of atypical operations or situations. It is recommended that the results of the indicators be presented with statistical values, together with a conclusion regarding effectiveness and evolution over time, in accordance with the methodology defined by the Participant in its Policy.

1.64. In relation to relevant service providers, as established in item 1.14 of this Supervisory Standard, it is the Participant's duty to assess whether they have AML/CFT policies and practices compatible with those adopted by the Participant itself, considering the contracted activity, the ML/CFT risk it represents and the purpose of the relationship with the third party, with the aim of ensuring high standards of its staff..

E. Monitoring, analysis and communication of atypical situations

E.1 Analysis of atypical situations

1.65. The Participant must implement monitoring controls for all offers and transactions capable of identifying and preventing the occurrence of ML/CFT-related violations.

1.66. The table below contains a non-exhaustive list of situations and the monitoring expected of the Participant in each of them.

SITUATION	MINIMUM MONITORING
a) For situations where it is not possible to keep client registration information up to date.	BSM verifies whether the minimum monitoring considers: (i) Clients who refuse to keep their registration updated, in accordance with the minimum content required by current regulations; and (ii) Clients with outdated registrations who cannot be located by the Participant for updating.
b) For situations where it is not possible to identify the final beneficiary.	BSM verifies that the minimum monitoring process considers the adoption of continuous due diligence in the Know Your Client identification process. If due diligence is not completed, the Participant must consider the following clients in its monitoring: (i) NRIs, especially when established as trusts or similar vehicles; classified as exclusive funds, in Brazil or abroad, and corporations; (ii) National and foreign nonprofit organizations;

SITUATION	MINIMUM MONITORING
	(iii) Analysis of restrictive lists; (iv) Exclusive Investment Funds; and (v) Politically Exposed People.
c) Situation in which the steps provided for in the Know Your Client process cannot be completed	BSM verifies that the Participant's monitoring considers: (i) INR, especially when established in the form of trusts; (ii) Nonprofit Organizations; (iii) Analysis of restrictive lists; (iv) Exclusive Investment Funds; and (v) Politically Exposed People.
d) In the case of individual clients, whose transactions involve values that are objectively incompatible with the professional occupation, income and/or financial or financial situation of any of the parties involved, based on the respective registration information.	BSM verifies whether the Participant's monitoring considers: (i) Financial transactions (inflows and outflows of funds or only inflows of funds) incompatible with the income and/or financial and asset situation declared by the client and their registration; (ii) Transactions incompatible with the income and/or financial and asset situation declared by the client in their registration, based on individual amounts or the results of the transactions.; (iii) Transfer of custody position (entry and exit of assets or only entry of assets) incompatible with

SITUATION	MINIMUM MONITORING
	the income and/or financial and equity situation declared by the client in their registration.
e) In the case of legal entity clients, where the incompatibility of the economic activity, corporate purpose or revenue reported with the operational standard presented by a client with the same profile is found.	BSM verifies whether the Participant's monitoring considers: (i) Transactions inconsistent with the revenue and/or financial and asset situation declared by the client in their registration, based on individual amounts or transaction results; (ii) Financial movements (inflows and outflows of funds or only inflows of funds) inconsistent with the revenue and/or financial and asset situation declared by the client in their registration; (iii) Custody position transfers (inflows and outflows of assets or only inflows of assets) inconsistent with the revenue and/or financial and asset situation declared by the client in their registration; (iv) Changes to the CNAE (National Economic and Social Registry); (v) Sale of sensitive assets covered by Law No. 9,112/1995, such as technology, software, and dual-use goods;

SITUATION	MINIMUM MONITORING
	(vi) Connections with high-risk jurisdictions.
f) In the case of transactions carried out between the same parties or for the benefit of the same parties in which there are consecutive gains or losses with regard to any of the parties involved.	BSM verifies whether the Participant's monitoring considers: (i) The transactions accumulated in the period, which present recurring counterparties in business transactions; and; (ii) The determination of gains or losses from transactions identified as recurring.
g) In the case of transactions that show significant fluctuations in the volume and/or frequency of business of any of the parties involved.	BSM verifies whether the Participant's monitoring considers: (i) Significant variation in the financial volume of transactions carried out during the month by the client when compared to their trading history; and (ii) Significant variation in the fluctuation in the financial volume or number of derivatives contracts traded during the month by the client when compared to their trading history.
h) In the case of operations whose developments include characteristics that may constitute a device for circumventing the identification of the individuals involved and/or beneficiaries.	BSM verifies whether the Participant's monitoring effectively identifies those involved and/or beneficiaries of the transactions. This monitoring can be accomplished by continuously conducting due diligence in the client identification process.

SITUATION	MINIMUM MONITORING
i) In the case of operations that demonstrate a sudden and objectively unjustified change in relation to the operational methods usually used by the client.	BSM verifies whether the Participant's monitoring considers the change in products traded by the client in relation to products previously traded by the same client, according to their trading history.
j) In the case of operations whose degree of complexity and risk appear incompatible with the profile of the client or their representative and with the size and corporate purpose of the client	BSM verifies whether the Participant's monitoring considers: (i) The suitability process for monitoring this item. Monitoring should consider client subject to suitability without an investment profile or with an outdated investment profile and client who have not carried out transactions incompatible with the investment profile; and (ii) Operations incompatible with the client's size and corporate purpose.
k) In the case of operations carried out with the purpose of generating loss or gain for which there is an objectively lack of economic or legal basis.	BSM verifies whether the Participant's monitoring considers transactions that have no economic or legal basis in the capital market, such as: transfers of funds between clients (money pass), exercise of out-of-the-money options, purchase of securities outside the market price, transactions for the purpose of obtaining tax benefits, etc..

SITUATION	MINIMUM MONITORING
l) In the case of transfer of resources and securities without apparent motivation.	BSM verifies whether the Participant's monitoring considers: (i) Whether the transfer of securities under different ownership has the supporting documentation required by the Participant or a stated motivation; (ii) Whether the transfer of custody positions is incompatible with the income and/or financial and asset situation declared by the client in their registration; (iii) Whether the transfer occurs between registered accounts held by the Participant; (iv) Whether the transfer occurs outside the organized market environment; and (v) Whether the financial movements (inflows and outflows of funds) are not related to the settlement of transactions or are not a result of the Participant's provision of services to the client.
m) In the case of deposits or transfers made by third parties for the settlement of client transactions, or for the provision of collateral in transactions in future settlement markets.	BSM verifies whether the Participant's monitoring considers: (i) Posting to the client's registered account; and (ii) Bank reconciliation.
n) In the case of payments to third parties, in any form, on account of settlement of transactions or redemption of amounts deposited as collateral, registered in the client's name.	BSM verifies whether the Participant's monitoring considers: (i) Posting to the client's registered account; and (ii) Bank reconciliation.

SITUATION	MINIMUM MONITORING
o) In the case of operations carried out outside the market price.	BSM verifies whether the Participant's monitoring takes into account the fluctuation in asset prices (largest highs or lows in the period) that have been motivated by its clients.
p) For operations and situations related to people suspected of involvement in terrorist acts or for operations involving individuals, legal entities or other entities residing, headquartered or incorporated in countries, jurisdictions, dependencies or locations listed in item 1.28 of this Supervisory Standard.	The Participant must, at a minimum, determine whether clients: (i) Are subject to sanctions imposed by a United Nations Security Council (UNSC) resolution; (ii) Are subject to a request for unavailability measures from a foreign central authority; (iii) Reside in or are from locations that do not apply or insufficiently apply the FATF recommendations; (iv) Are likely to be associated with terrorist acts or terrorist financing; (v) Reside in or are from locations with favorable taxation or a privileged tax regime; and (vi) Reside in or are from locations considered border zones.

1.67. In addition to the examples mentioned in the table above, Participants must monitor their clients' access and operating patterns through audit trails that include order origin records, as per the BSM File Layout Manual[48], access and/or registration, and that, at a minimum, consider risk scenarios, based on the risk and method of operation defined in the Participant's policy. Based on this monitoring, the Participant must evaluate cases in which the order origin (user IP, geolocation, and/or other

[48] Available at https://www.bsmsupervisao.com.br/materiais-de-apoio

mechanisms that allow identification of the geographic origin) does not match the standard commonly adopted for client access.

E.2 Alert analysis

1.68. The Participant must implement a regular and ongoing procedure to identify atypical situations that potentially involve ML/CFT practices. This involves establishing objective criteria, as defined in the Policy, for detecting anomalies in client transactions and activities. The procedure must include the adoption of monitoring tools and systems capable of generating alerts whenever activities that deviate from normal patterns are detected.

1.69. The Participant must establish in its Policy protocols for the analysis and investigation of these alerts, ensuring that each situation is properly evaluated by qualified professionals. During the analysis of the alerts, the Participant must examine information about the identified transactions, covering aspects such as origin, destination, value, and context, to confirm or rule out the possibility of ML/CFT practices.

1.70. The analysis of alerts generated from monitoring carried out by the Participant will be considered effective when it includes, at least:

(i) information related to the transaction hypothesis or situation defined in the current regulations and providing clarification on the identified alert;

(ii) the dynamics and purpose of the transactions, as well as the client's operational model in relation to the alert transactions;

(iii) a conclusion of the analysis; and

(iv) the action to be taken by the Participant.

1.71. Alerts generated during monitoring may be dismissed, provided this decision is formally substantiated and supported by a written methodology, with clear criteria and defined objectives, duly documented in the Policy. However, alerts should not be disregarded solely based on the client's risk assessment.

1.72. The alert analysis must be completed within the timeframe stipulated by current regulations. The methodology for calculating this timeframe, as well as its starting point, must be clearly described in the Policy.

1.73. The Participant must prioritize the quality of monitoring atypical situations, through ongoing staff training and the use of appropriate technologies for alert analysis. The quality of monitoring must be assessed not only by the number of alerts or communications issued, but also by the effectiveness of the alerts generated and the quality of the analyses and reports produced.

1.74. The Participant must adopt a sampling methodology that ensures a qualitative and representative analysis of the evaluated processes, so that the selected sample universe is sufficiently comprehensive to allow for the obtaining of significant conclusions and based on the methodology described in the Policy.

E.3 Dever de comunicação

1.75. When analyzing potential atypicalities, it is essential that the Participant differentiates situations that raise suspicions of ML/CFT from situations involving other

potential illicit acts defined in current regulations, which must be reported to the CVM, BSM and other competent authorities for the respective action.

1.76. Evidence of ML/CFT must be reported by the Participant to COAF. This decision must be based on each Participant's assessment of the relevance of such reports.

1.77. During the process of monitoring and reporting signs of ML/CFT, the Participant will be responsible for assessing the need to report to BSM the analyses performed and forwarded to COAF.

1.78. Reports must identify atypical situations, including a detailed description of the facts and grounds supporting the Participant's interpretation of the characterization of the evidence of ML/CFT. Furthermore, they must be accompanied by complete supporting documentation for the claims and evidence presented, including a description of the method used to detect the atypical situation and subsequent documents obtained during the Participant's investigation. Whenever possible, reports should include the date and time the information was captured.

1.79. Reporting to COAF must be done within the timeframe established by current regulations, after the conclusion of the analysis carried out by the Participant, if the atypical situations identified are not duly justified.

1.80. The Participant must keep on file all communications sent to COAF, including those regarding the non-occurrence of transactions or proposed transactions that would give rise to communication (negative statement).

1.81. Communications to COAF must be made through the SISCOAF system, using the "CVM – Securities Market" segment. Management and granting of access to this information must respect, at a minimum, the following characteristics:

(i) individual and non-shared user;

(ii) password protection or a method with equivalent security;

(iii) granting access to avoid conflicts with the role performed. To this end, the Participant must define, prior to granting access, the activities relevant to the role performed and the activities that, when combined and performed by the same professional in the systems, could generate conflict;

(iv) assessing the user's technical qualifications regarding the access granted;

(v) granting access only to professionals who work for the Participant;

(vi) immediate deregistration procedure when the professional leaves the Participant; and

(vii) maintaining monitoring, control, and records of access to SISCOAF, strictly limited to the use necessary for regulatory compliance.

E.4 Monitoring of restrictive lists

1.82. It is the Participant's duty to directly and continuously monitor restrictive lists related to economic sanctions, terrorist activities, financing of the proliferation of weapons of mass destruction and other financial crimes.

1.83. The Participant must take the necessary steps to ensure the immediate adaptation of its processes and controls in the event of updates to these lists, without prejudice to

taking additional measures regarding clients that may be included therein. Regarding the restrictive list published by the UNSC, the Participant must also follow the guidelines established in Law No. 13,810, especially regarding the unavailability of assets of individuals on such list.

1.84. To assist the Participant in complying with the obligations established by the current regulations, BSM provides on its website an exemplary and organized list of restrictive lists. This list is not exhaustive, and it is the Participant's responsibility to monitor any lists of interest, in accordance with its Policy.

1.85. All procedures related to monitoring restrictive lists must be documented in a Policy, indicating the professionals and areas responsible for monitoring and effectively enforcing account blocking when identifying the presence of clients on any of the lists.

F. Training and qualification

1.86. It is the Participant's duty to maintain a technically qualified team of adequate size with the business model to carry out ML/CFT monitoring and analysis.

1.87. The Participant is obligated to maintain documented training and development processes for its employees, Investment Advisors, and relevant service providers (“Training”). This Training must be effective, using clear and accessible language, consistent with the functions performed and the level of risk associated with the activities performed, as defined in the Participant’s AIR.

1.88. Training must be carried out according to the minimum frequency established by the Participant in its Policy, in addition to being carried out whenever there are updates to the internal rules and applicable standards.

1.89. Specific training on preventing the financing of terrorism and the proliferation of weapons of mass destruction must be provided to empower employees. This content may be integrated into the anti-money laundering training modules, provided the approach adequately and individually covers these topics.

G. Documentation and evidence

1.90. The documentation and evidence relating to compliance with the duties set forth in this Supervisory Standard must be maintained by the Participant within the period and under the conditions required by current regulations.

II. BSM's Approach

2.1. BSM's supervision and oversight of the duties set out in this Supervision Standard is carried out continuously, through auditing and other forms of supervision and oversight, with the purpose of verifying the Participant's compliance with the established standards.

2.2. During the supervision and monitoring of the Participant regarding the ML/CFT process, BSM verifies:

(i) the rules, procedures, and internal controls implemented by Participants to identify and prevent LD/CFT illegal practices;

(ii) the designation of a Responsible Officer;

(iii) the existence of a Policy approved by the Participant's senior management expressly describing the rules, procedures, and internal controls for monitoring to identify signs of ML/CFT;

(iv) the existence of a documented, updated, and senior management-approved RBA, with an effective date, describing the aspects required by current regulations, as well as:

a. the description and criteria for the risk classification of clients, products, and services, their respective distribution channels, the trading and registration environments in which the Participant operates, as well as the reclassification of client risk, in accordance with the Policy, in addition to the aforementioned monitoring;

b. the processes and controls adopted to define the risk classification of trust clients, NGOs, non-profit organizations, PEPs, or those on restricted lists;

c. Compliance with the risk reclassification criteria and frequency established in the RBA; and

d. Whether clients classified as PEPs or non-profit organizations are flagged as such, paying particular attention to the need for reviews that consider the electoral calendar and updates to the CGU's List of Politically Exposed People;

(v) Preparation of a documented AIR, as well as:

a. Preparation of the RAIR and its timely submission to the senior management bodies specified in the Policy;

b. Inclusion of the minimum content established in the current regulations and this Supervisory Standard;

c. Tests performed by the Participant and the effectiveness indicators considered;

d. Existence of criteria and statistical data for sample selection described in the report; and

e. Whether the results of the effectiveness indicators are presented with statistical values. (vi) the number of AML/CFT alerts in the Participant's process during the base period, with all alerts analyzed within the timeframe established by current regulations and the number of reports submitted to the appropriate regulatory and self-regulatory bodies;

(vii) whether the Participant reevaluates the parameters of its ML/CFT monitoring systems, what assumptions are used, how often, and whether these processes are described in the Policy;

(viii) whether the Participant applies objective criteria, considering its clients' operating model and atypicality history, to define, calibrate, and reevaluate the parameters used to monitor atypical offers, transactions, and situations set forth in the current regulations, and how often this reevaluation is performed;

(ix) the procedures defined in the Policy regarding the criteria for reporting atypicalities to the appropriate bodies;

(x) the structure of the Participant's ML/CFT area, considering the number and qualifications of professionals, the analysis process, and the volume of alerts; and

(xi) the provision of ML/CFT training to employees, investment advisors, and relevant service providers, and whether the training content provided adequately and individually covers the topics of (i) money laundering; (ii) terrorist financing; and (iii) financing the proliferation of weapons of mass destruction.

III. Enforcement

3.1. Participants that fail to comply with the duties set out in the current regulations and in this Supervisory Standard will be subject to Enforcement measures, as set out in the BSM Procedural Regulations.

This Supervisory Standard will come into effect on January 2, 2026, repealing External Communication 004/2020-DAR-BSM of September 21, 2020.

Linted Person

RETURN TO INDEX

Introduction

This Supervisory Standard addresses the supervisory procedures applicable to transactions in securities carried out by persons related to an intermediary, in order to ensure compliance with the current guidelines issued by the CVM and the rules issued by B3.

Publication History of Standards on the Topic

External Communication	Publication date	Status
BSM-08/2026	July 2, 2026	Effective from August 3, 2026
CE-BSM-6/2023	May 23, 2023	Revoked
BSM-6/2022	April 5, 2022	Revoked

Supervisory Standard on Transactions by Related Persons to the Intermediary

(Published through External Communication BSM-08/2026)

BSM Market Supervision ("BSM"), in the exercise of its duties, hereby issues this update to the supervisory standard ("Supervisory Standard"), which addresses the procedures applicable to transactions in securities carried out by persons related to an intermediary, in order to ensure compliance with the current guidelines issued by the Brazilian Securities and Exchange Commission ("CVM") and the rules issued by B3 S.A. – Brasil, Bolsa, Balcão ("B3").

Defined terms are used in accordance with the BSM Glossary[49] or are defined in this Supervisory Standard.

This Supervisory Standard is divided into five (5) sections: (I) Definition of Related Persons; (II) Prohibition on Trading by a Related Person Through Another Intermediary; (III) Procedures for Compliance with this Supervisory Standard; (IV) BSM's Approach; and (V) Enforcement.

I. Definition of Related Persons

1.1 The persons directly related to the intermediary and whose activities are subject to this Supervisory Standard are, pursuant to CVM Resolution No. 35 ("RCVM 35"), or any resolution that may replace it, the following individuals and legal entities: (i) directors, employees, traders and other agents of the intermediary who perform

[49] Available at: https://www.bsmsupervisao.com.br/normativos-bsm?section=glossario-bsm.

intermediation or operational support activities; (ii) investment advisors that provide services to intermediaries; and (iii) other professionals that have entered into an agreement with the intermediary for the provision of services directly related to intermediation or operational support activities.

1.2 Intermediaries are responsible for developing controls to identify the other indirectly related persons established under RCVM 35 that are not covered by this Supervisory Standard: (i) individuals that directly or indirectly control or participate in the corporate control of the intermediary; (ii) entities directly or indirectly controlled by the intermediary or by persons related to it; (iii) the spouse or domestic partner and minor children of the persons referred to in item 1.1 above and of individuals that directly or indirectly control or participate in the corporate control of the intermediary; and (iv) investment clubs and funds in which a majority of the units are held by related persons, except where they are managed on a discretionary basis by unrelated third parties.

II. Prohibition of Trading by a Related Person Through Another Intermediary

2.1 Article 25 of RCVM 35 imposes restrictions on transactions carried out by related persons, providing that they may trade securities for their own account, directly or indirectly, only through the intermediary to which they are related.

2.2 This restriction is intended to enable the intermediary to which the person is related to fulfill its duty to monitor transactions and orders, report any atypical activity identified to the CVM and BSM, and mitigate potential conflicts of interest. Accordingly, the intermediary must establish rules, procedures and internal controls to address such situations.

2.3 The Participant must: (i) identify any potential conflicts of interest that may arise between the intermediary, or persons related to it, and its clients; (ii) ensure that, in such situations, the intermediary executes the transaction for and on behalf of the client independently; and (iii) establish mechanisms to inform the client, before executing a transaction, that the intermediary and persons related to it are acting under a potential conflict of interest and disclose the source of that conflict.

2.4 Pursuant to Article 33, item IV, of RCVM 35, the intermediary must inform the CVM whenever it identifies an occurrence or evidence of a violation of legislation subject to CVM supervision, within five (5) business days from the occurrence or identification, without prejudice to notifying the entities that manage the organized markets in which it is authorized to operate or the self-regulatory entity, and must retain records of the evidence identified.

2.5 If a person related to an intermediary terminates that relationship and becomes related to another intermediary, and intends to trade securities acquired previously, including through a sale or the closing of a position or agreement, that person must request the transfer of custody of such securities to the new intermediary and carry out those transactions exclusively through the intermediary to which the person is related at the time of the transaction.

2.6 With respect to open positions in securities with future maturity dates, such as options, securities lending transactions, forward agreements and futures agreements, the related person must request the transfer of those positions from the intermediary to which the person was previously related. That intermediary must take the necessary measures with the B3 Clearinghouse, in accordance with the applicable conditions, and identify the new intermediary to which the person will become related.

2.7 Any inability to transfer the positions, together with the corresponding reasons, must be reported to BSM by email at bsm@bsmsupervisao.com.br.

2.8 It should be noted that, under certain circumstances set forth in Article 25, paragraph 1, RCVM 35 permits exceptions to this rule and assigns to the Participant to which the person is currently related responsibility for maintaining internal controls over the application of those exceptions[50]. For the circumstances provided for in items II and III of paragraph 1 of Article 25 of RCVM 35, the specific written agreement required under item IV of that same article is not required.

2.9 The situation of non-exclusive investment advisors that have contractual relationships with more than one intermediary and act as agents for those intermediaries also constitutes an exception established by the regulator.

2.10 Intermediaries must inform BSM of the intermediary selected by a person related to more than one intermediary to trade securities exclusively, for purposes of compliance with paragraph 3 of Article 25 of RCVM 35[51].

2.11 Without prejudice to the Participants' duty to maintain controls intended to mitigate conflicts of interest, the requirements imposed by RCVM 35 regarding trading

[50] Article 25. Persons related to an intermediary may trade securities for their own account, directly or indirectly, only through the intermediary to which they are related.
Paragraph 1. The provisions of the caput of this Article shall not apply to:
I – financial institutions and entities treated as equivalent thereto;
II – persons related to the intermediary, with respect to transactions in organized markets in which the intermediary is not an authorized trading participant;
III – persons related to the intermediary, with respect to transactions in which the intermediary does not participate in the distribution of publicly offered securities; and
IV – transactions intermediated by an institution that is contractually required to provide the intermediary with information regarding transactions carried out by related persons and that has obtained the express authorization of such related persons for the provision of such information.

[51] Paragraph 3. Persons related to more than one intermediary must designate only one of the intermediaries with which they maintain a relationship through which they shall trade securities exclusively in their own name.

by related persons do not apply to Participants that engage in bilateral transactions registered in B3's over-the-counter market or to units of investment funds, as determined by the CVM Board, except for closed-end funds and exchange-traded funds (ETFs)[52].

III. Procedures for Compliance with the Duties Set Forth in this Supervisory Standard

3.1 Participants in the organized markets managed by B3 must submit updated data on related persons through the mechanisms and procedures established by the Continuous Joint Data Monitoring system ("MC²D")[53].

3.2 Participants must promptly submit to BSM, by email at bsm@bsmsupervisao.com.br, any contracts or agreements maintained with other intermediaries for the purpose of allowing their related persons to trade through the contracted institution, pursuant to Article 25, paragraph 1, item IV, of RCVM 35[54]. Participants must report the effective term of such contracts and agreements and must notify BSM immediately whenever any information changes.

3.3 The contract or agreement must establish, among other rules, the contracted Participant's obligation to share the related persons' transaction data with the

[52] Decision issued by the CVM Board on January 29, 2013, available at https://conteudo.cvm.gov.br/decisoes/2013/20130129_R1/20130129_D15.html and https://conteudo.cvm.gov.br/decisoes/2013/20130129_R1/20130129_D04.html.

[53] As a result of Joint Circular Letter No. 1/2025/CVM/SIN/SMI/SSE, which established the minimum investor registration information to be maintained by Organized Market Administrators (EAMs) and Financial Market System Operators (IOSMFs) operating in the securities market, completion of the "Related Person" field in the SINCAD and NoMe systems is no longer mandatory, as detailed in Circular Letter 010/2025-VPE.

[54] Article 25. Persons related to an intermediary may trade securities for their own account, directly or indirectly, only through the intermediary to which they are related.
Paragraph 1. The provisions of the caput of this Article shall not apply to:
IV – transactions intermediated by an institution that is contractually required to provide the intermediary with information regarding transactions carried out by related persons and that has obtained the express authorization of such related persons for the provision of such information.

Participant to which those persons are related. The Participant to which the persons are related must implement procedures to process the data received in order to detect and address any atypical transactions.

3.4 To comply with the current rules and this Supervisory Standard, Participants and/or the director responsible for the investment advisor pursuant to RCVM 178 must establish policies and codes of conduct and provide training and internal guidance on this subject to their related persons.

IV. BSM's Approach

4.1 The data made available through the MC²D procedures, together with information on contracts or agreements among Participants, will be used by BSM to identify related persons that carry out transactions through Participants other than the Participant to which they are related.

4.2 If BSM identifies transactions carried out by related persons through intermediaries other than those to which they are related and authorized to trade securities, BSM will send the respective Participants, on a quarterly basis, a communication listing the related persons that carried out such transactions so that the Participants may adopt measures to mitigate this type of occurrence. Participants will not be required to respond to each communication or provide a justification for each individual occurrence.

4.3 BSM will supervise Participants to verify the completeness, continuity and timeliness of the information provided regarding related persons, whether submitted through MC²D or obtained from B3 systems. BSM will also assess whether contracts entered among Participants include a clause requiring the sharing of transaction data and whether such data is effectively submitted and processed by the Participant.

4.4 At any time, BSM may request that Participants provide evidence of the measures adopted following the communication referred to in item 4.2, for supervisory and inspection purposes.

4.5 Documents and evidence supporting those measures must be retained for at least five (5) years, in accordance with the recordkeeping requirement set forth in Article 48 of RCVM 35.

4.6 As part of its supervision and inspection activities, BSM may also verify the controls and measures adopted by Participants in relation to other related persons subject to their oversight, pursuant to item 1.2 of this Supervisory Standard.

V. *Enforcement*

5.1 If BSM identifies recurring transactions carried out by related persons through intermediaries other than those through which they are authorized to trade securities, as a result of the failure to implement measures, the insufficient implementation of measures, and/or the ineffectiveness of measures adopted to correct the occurrences reported following the communications referred to in item 4.2, the Participant will be subject to Enforcement measures in accordance with the BSM Procedural Regulations.

5.2 With respect to Participants and the responsible director under RCVM 178, BSM will assess the effectiveness of their policies and training, taking into account, among other factors, the number of transactions carried out by related persons in breach of RCVM 35 and, in the event of noncompliance, the measures adopted to mitigate such occurrences.

5.3 If a Participant fails to submit the information required by this Supervisory Standard, keep information regarding its related persons up to date, or implement controls to oversee the related persons under its responsibility, the Participant, the director responsible for compliance with RCVM 35 and/or the responsible director under RCVM 178 may be subject to Enforcement measures in accordance with the BSM Procedural Regulations.

This Supervisory Standard will become effective on the first business day following its publication by BSM and will revoke the prior standard on this subject, published through External Communication BSM-6/2023 on May 16, 2023.

Failure to Deliver Assets to the Stock Market

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Introduction

This Supervisory Standard addresses the supervisory procedures applicable to information provided to clients regarding (i) the risks associated with failure to deliver assets in purchase and sale transactions; and (ii) the mechanisms intended to ensure the settlement of assets in the Stock Market, in accordance with CVM regulations, particularly CVM Resolution No. 35/2021, and the rules issued by B3.

Publication History of Standards on the Topic

External Communication	Publication date	Status
BSM-09/2026	July 2, 2026	Effective as of August 3, 2026
BSM-09/2024	April 22, 2024	Revoked
BSM-27/2023	May 16, 2023	Revoked

Supervisory Standard on Failure to Deliver Assets in the Stock Market

(Published through the BSM Supervisory Standard BSM-09/2026)

BSM Market Supervision ("BSM"), in the exercise of its duties, hereby issues this update to the supervisory standard ("Supervisory Standard") regarding information provided to clients on (i) the risks associated with failure to deliver assets in purchase and sale transactions; and (ii) the mechanisms intended to ensure the settlement of assets in the Stock Market, in accordance with the regulations of the Brazilian Securities and Exchange Commission ("CVM"), particularly CVM Resolution No. 35/2021 ("RCVM 35"), and the rules issued by B3 S.A. – Brasil, Bolsa, Balcão ("B3").

Defined terms are used in accordance with the BSM Glossary[55] or are defined in this Supervisory Standard.

This Supervisory Standard is divided into five (5) sections: (I) Treatment of Delivery Failures; (II) Participants' Duties; (III) BSM Supervision; (IV) Eligibility for Reimbursement through the MRP; and (V) Enforcement.

I. Treatment of Delivery Failures

1.1. To ensure the safety and efficiency of transactions carried out at B3, the B3 Clearinghouse ("B3 Clearinghouse") is the infrastructure responsible for conducting the process for treating failures to deliver assets.

[55] Available at: https://www.bsmsupervisao.com.br/normativos-bsm?section=normas-gerais.

1.2. As described in its Rules, the B3 Clearinghouse shall follow the process for treating failures to deliver assets held at the B3 Central Depository[56].

A. Treatment of a Failure to Deliver an Asset Deposited at B3

1.3. The treatment of failures to deliver assets at the B3 Central Depository consists of five (5) stages:

A.1. Mandatory Securities Lending Transaction with B3

1.4. B3 shall enter into a mandatory securities lending transaction for the quantity corresponding to the asset that was not delivered, under the responsibility of the Full Trading Participant ("PNP"), Trading Participant ("PN"), Settlement Participant ("PL"), Foreign Participant ("PE") or Clearing Member ("MC"), as applicable.

A.2. Entry of the Debit in the Multilateral Net Balance and Imposition of a Fine

1.5. If the mandatory lending transaction referred to above cannot be carried out, the B3 Clearinghouse shall enter the debit in the Debtor's multilateral net balance and, correspondingly, the same amount shall be provisionally entered as a credit in the multilateral net balance of the Creditor of the assets that were not delivered.

[56] For the purposes of the rules established in this Supervisory Standard, "Creditor" means any individual, legal entity, fund with a single-class structure, fund unit class, where the fund has a multi-class structure, collective investment entity, or any similar entity, whether in Brazil or abroad, that participates as the holder of transactions carried out for its own account and order and settled through a Participant, and that uses the services of a Custody Agent for the custody of its assets at the B3 Central Depository ("Creditor" or, collectively, "Creditors").
Conversely, "Debtor" means the Client who, for operational reasons or any other reasons unrelated to its solvency, fails to perform its obligations, in whole or in part, at the time, place and in the manner established by the B3 Clearinghouse, due to circumstances which, in the judgment of the B3 Clearinghouse, do not affect the possibility of performance ("Debtor" or, collectively, "Debtors").

1.6. The entry in the Creditor client's multilateral net balance is intended to provisionally reverse the debit originally made for the purchase of the undelivered assets. Since this credit is provisional, the refunded amount must remain in the account until the B3 Clearinghouse completes the treatment of the failure and, consequently, the financial settlement of the transaction ("Committed Balance").

1.7. The Committed Balance may be used by the B3 Clearinghouse until the end of the settlement cycle, at its sole discretion. Its use for other purposes may therefore result in charges during the failure treatment process.

1.8. If the Debtor fully performs the delivery obligation within the established period, the quantity of assets is distributed among the Creditors, the failure-to-deliver positions are extinguished, and the treatment of the failure is concluded.

1.9. Conversely, if the Debtor fails to perform the delivery obligation, in whole or in part, the process for issuing a buy-in order begins. Until that stage, the Creditor (i) may not cancel the transaction; and (ii) should not attempt to repeat the purchase transaction on its own, in order to avoid opening new positions if the Debtor delivers the asset within the additional period granted.

1.10. In this context, Participants must clearly, promptly and effectively inform the Client that the Committed Balance may be used only where such use is provided for and authorized under the Participant's rules, procedures and internal controls, pursuant to item 2.2 et seq. of this Supervisory Standard. In that case, the applicable internal rule must provide that use of the provisional balance may be treated as Client leverage for all purposes until the formal conclusion of the failure treatment process. If the counterparty does not remedy the failure, any resulting balance shall become final and its treatment as leverage, if it was used, shall be reversed.

A.3. Issuance of a Buy-In Order and Imposition of an Additional Fine

1.11. If the failure persists, the B3 Clearinghouse shall impose an additional fine on the Debtor and issue an order to buy the asset in the market on behalf of the Creditor, including a deadline for its execution, in which case the Creditor returns to the market to repurchase the asset.

A.4. Delivery of the Asset and Cancellation of the Buy-In Order

1.12. The buy-in order may be cancelled upon delivery of the asset by the Debtor and the Creditor's acceptance of the cancellation.

1.13. Confirmation of the request to cancel the buy-in order must be made by the Creditor's PNP, PN, if applicable, or PL, which must formalize its consent to the cancellation of the order through an entry in the B3 Clearinghouse system.

1.14. Within the maximum established period, and in order to validate whether the applicable rules have been duly complied with, the B3 Clearinghouse shall analyze the request to cancel the buy-in order and then decide whether to approve or reject it.

A.5. Settlement of the Transaction

1.15. If the Creditor does not execute the buy-in order within the established period, the order shall be cancelled and the transaction shall be settled at market price, in accordance with the applicable process set forth in the B3 Clearinghouse Risk Management Manual.

II. Participants' Duties

A. Communication and Transparency of Information by Participants to Clients

2.1. RCVM 35 requires intermediaries to establish rules, procedures and internal controls governing order execution to ensure that their clients are duly informed of the status of the transactions carried out.

2.2. RCVM 35 also requires intermediaries to provide their clients with information and documents relating to the transactions carried out, in the manner and within the time limits established in their internal rules. Likewise, the B3 rules[57] establish that Participants, in accordance with their own rules, procedures and internal controls, must inform their Clients of the procedures adopted in connection with the settlement of transactions.

2.3. The procedures for resolving failures to deliver assets during the settlement cycle are set forth in the B3 Clearinghouse Rules and the B3 Clearinghouse Operational Procedures Manual.

2.4. The way the Participant complies with the requirements of this Supervisory Standard must be set forth in the Participant's rules, procedures and internal controls.

2.5. To prevent cascading failure events affecting their clients, such documents must contain information on the procedure to be adopted in the event of a failure to deliver assets in the Stock Market, thereby ensuring awareness of the risks associated with non-delivery of the traded asset during the settlement cycle.

[57] B3 PQO Program Guide and B3 Clearinghouse Risk Management Manual.

2.6. Accordingly, as provided in items 2.1 through 2.5 of this Supervisory Standard, Participants must duly and promptly inform their clients of events involving failures to deliver assets.

2.7. Such communication may not be limited to entries and reversals in the registration account statement and must include at least:

(i) Immediate notification to the client of the occurrence of a failure to deliver assets and of the status of the failure treatment process until its conclusion. The notification must be specific, clear and continuous throughout the failure treatment process, enabling the client to identify the transaction to which the event relates, and must contain at least the asset, quantity, trading code and date, as well as the actions expected in relation to the Committed Balance;

(ii) Availability of service channels to adequately inform clients of the stages of the failure-to-deliver treatment process until its conclusion; and

(iii) Notice regarding the need for action by the Client, including deadlines where necessary.

2.8. The notifications referred to in item 2.7.i must contain, as applicable:

(i) The procedure applicable to the attempted treatment of the failure through mandatory securities lending or a buy-in of the asset;
(ii) The point in time from which the buy-in process may begin;
(iii) Information concerning the possibility of regularizing settlement before the buy-in process is initiated;

(iv) A warning to the buyer regarding the consequences of opening a position larger than intended if the client purchases again assets that are subject to a failure treatment process;

(v) An inquiry as to whether the Creditor wishes to receive the asset after the failure, with a deadline for response;

(vi) An indication of the client's position as Creditor and/or Debtor;

(vii) A description of the amounts that will be credited, debited and/or reversed, including the timing of the entries and, in the case of the Committed Balance, a statement that the client must keep that amount available in the account to avoid a margin call, charges for a debit balance and/or compulsory liquidation;

(viii) The impact on the margin amount, so that the Debtor understands that its failed position will be included in the risk calculation for purposes of updating the required margin, in accordance with the criteria established in the B3 Clearinghouse Operational Procedures Manual;

(ix) Confirmation of delivery of the asset and receipt of the asset in custody upon conclusion of the failure treatment process; and

(x) Availability of information regarding amounts credited or debited as a result of the failure-to-deliver procedure, including any fines charged.

B. Maintenance of Information Records

2.9. Participants must:

(i) Retain the documents, logs, information and records referred to in this Supervisory Standard for at least five (5) years, or for a longer period if required by the applicable regulations; and

(ii) Provide the documents referred to in this Supervisory Standard to BSM as part of its supervision and inspection procedures, the handling of proceedings

before the Loss Compensation Mechanism ("MRP") and/or, at any time, upon BSM's request, for the investigation of potential indications of irregularities, in accordance with the BSM Procedural Regulations ("Procedural Regulations").

2.10. If the duties established under the applicable regulations and this Supervisory Standard are not duly and promptly performed by Participants, Enforcement measures may be imposed in accordance with the BSM Procedural Regulations.

C. Collateral Margin Controls

2.11. In addition, the Participant must establish effective rules and controls concerning Clients' collateral margin, particularly to ensure that the Committed Balance is not treated as an available balance for purposes of calculations for opening new positions where this is required by its rules.

2.12. The purpose is to prevent additional margin calls, the possible imposition of charges for a debit balance and/or compulsory liquidations.

III. BSM Supervision

3.1. As part of its supervision and inspection procedures, BSM shall verify compliance with the communication requirements established in this Supervisory Standard by analyzing (i) the content of the latest version of the Participant's RPA/NPA; (ii) the content of the Risk Policy or equivalent internal rule of the Participant, particularly the provisions governing the treatment of the Committed Balance; (iii) the content of notifications and communications maintained between the Participant and its clients; (iv) the timeliness of the notifications; and (v) the records of services provided to clients.

3.2. The duty to communicate applies to all Participants and all of their clients. However, a Participant may adopt different methods for complying with the communication requirements for different types of clients, provided that such methods are formally established in the Participant's RPA/NPA.

3.3. The requirements concerning the level of detail of communications set forth in items 2.7 and 2.8 of this Supervisory Standard must be observed by the Participant with respect to its Clients in the retail segment. Participants may establish specific guidelines applicable to institutional Clients in their internal rules.

IV. Eligibility for Reimbursement through the MRP

4.1. The specific purpose of the MRP is to compensate investors for losses arising from acts or omissions of Participants, or of their directors, employees or agents, in connection with the intermediation of transactions carried out on an exchange, centrally cleared over-the-counter derivatives, or the related custody services, pursuant to RCVM 135, or any resolution that may replace it, and the B3 MRP Rules.

4.2. Accordingly, failures to comply with this Supervisory Standard may also constitute grounds for reimbursement of losses through the MRP.

4.3. The absence, untimeliness, inconsistency or incompleteness of information concerning the procedure for treating a failure to deliver assets shall be deemed a breach of items 2.7 and 2.8 of this Supervisory Standard, including where such deficiency arises from services provided through the Participant's service channels, agents or investment advisors.

4.4. In addition, a Participant's conduct that is inconsistent with the rules and procedures set forth in its Risk Policy, or an equivalent internal rule, shall be deemed a breach of item 2.11 of this Supervisory Standard.

V. *Enforcement*

5.1. Participants that fail to comply with the duties established under the current regulations and this Supervisory Standard shall be subject to Enforcement measures in accordance with the BSM Procedural Regulations.

This Supervisory Standard shall become effective on August 3, 2026, and Supervisory Standard No. 9/2024-BSM shall be revoked.

Compulsory Liquidation Procedures

RETURN TO INDEX

Introduction

This Supervisory Standard addresses the supervisory procedures relating to compulsory liquidation observed by Participants, in order to comply with the current CVM guidelines and the rules issued by B3.

Publication History of Standards on the Topic

External Communication	Publication date	Status
BSM-18/2026	September 17, 2026	Effective as of October 1, 2026
BSM-07/2022	April 5, 2022	Revoked

Supervisory Standard on Compulsory Liquidation Procedures

(Published through the BSM Supervisory Standard BSM-18/2026)

BSM, in the exercise of its functions, issues this supervisory standard ("Supervisory Standard") to address the compulsory liquidation procedures to be observed by Participants, considering the current regulations and guidelines issued by the Brazilian Securities and Exchange Commission ("CVM"), as well as the rules issued by B3 S.A. – Brasil, Bolsa, Balcão ("B3").

This Supervisory Standard is not intended to exhaust all regulatory obligations inherent to the subject. Participants are responsible for verifying the requirements applicable to the activities they perform in the securities market.

The compulsory liquidation addressed in this Supervisory Standard refers to the compulsory closing of open positions held in a client's name when the risk exposure limits predefined by the Participant are exceeded. It differs from compulsory liquidation resulting from an outstanding balance, which occurs due to the risk of default on amounts owed in the client's name and is addressed in Supervisory Standard No. 16/2024, or any standard replacing it.

Defined terms are in accordance with the BSM Glossary[58] or are defined in this Supervisory Standard.

This Supervisory Standard is divided into four sections: (I) Participants' Duties Regarding Compulsory Liquidation Procedures; (II) BSM's Approach; (III) Eligibility for Reimbursement by B3's MRP; and (IV) Enforcement.

[58] Available at: https://www.bsmsupervisao.com.br/normativos-bsm.

I. Participants' Duties Regarding Compulsory Liquidation Procedures

A. Definition of Parameters and Transparency of Information Provided by Participants to Clients

1.1. Participants must establish, in their rules, procedures, manuals and/or policies ("internal rules") or in agreements entered with clients, the parameters for allocating collateral required to execute transactions and/or maintain client positions. These parameters must define how amounts are allocated as collateral or establish that total net worth is considered for this purpose. Net worth means the total amount of financial resources and assets held in custody in the client's name with the Participant.

1.2. The limits considered for trading each asset, namely the Pre-Trade Risk Limit and the Intraday Risk Limit, must be made available by the Participant in a clear, complete, accurate and easily accessible manner through client interaction channels. This includes how clients may view and manage such limits and the options and tools available to intermediaries for updating them. If changes are made, the change history must also be made available before and throughout the client's trading activities.

1.3. Participants that receive client orders through electronic trading systems providing direct market access must maintain a pre-trade risk management control system, including the establishment and monitoring of operational limits. The system must enable monitoring, control and the timely adoption of measures to assess orders that exceed the established operational limits.

1.4. The Participant must inform the client when the collateral posted reaches the predefined risk limit. To this end, Participants must establish internal rules governing

the timely and clear communication or display to the client of the deterioration of collateral. Such communication must include, at a minimum:

(i) An initial alert, to be made available when the collateral posted reaches the first risk limit predefined by the Participant, indicating the need to monitor the collateral provided by the client and warning of the potential need to replenish it ("Limit 1");

(ii) A subsequent alert, to be made available when the second risk limit predefined by the Participant is reached, from which point the compulsory liquidation of the client's open positions may be triggered at any time ("Limit 2"); and

(iii) Alerts informing the client that compulsory liquidation of any position has been carried out after Limit 2 has been reached.

1.5. The Participant must make information on collateral utilization available to the client in a clear, immediate, complete, accurate and easily accessible manner. Examples of effective communications include a notice on a panel available on the trading platform and/or an email, SMS or pop-up. The method defined by the Participant for monitoring and/or communication must be disclosed through the intermediary's client interaction channels.

1.6. Considering asset volatility, Participants may establish specific and individual limits for certain assets, provided that this information is made available in an easily accessible location, as described above.

1.7. The Participant's internal rules must expressly state that the reference values established by the Participant for compulsory liquidation, or the parameter values established by the client in cases of assisted close-out, are trigger parameters that

initiate the procedures described herein. Accordingly, the result of the transactions after execution of the procedure may vary from the applicable reference values.

B. Participants' Due Diligence Regarding the Compulsory Liquidation of Open Positions

1.8. Before a client opens positions, Participants must ensure that sufficient financial resources or assets are available so that, individually or jointly, these resources prevent the compulsory liquidation of the new position immediately after it is opened.

1.9. To ensure symmetry between Pre-Trade Limits and the collateral maintained by the client, the client's Intraday Risk Limit must be equal to or greater than the Pre-Trade Risk Limit when the position is opened. Accordingly, once the Participant has allowed positions to be opened based on collateral it considered sufficient, it must not compulsorily liquidate those same positions unless market conditions relating to asset prices have changed or the value of the collateral posted has decreased.

1.10. Participants' risk management control systems must monitor client risk exposures during the trading session and allow clients to view and monitor the value of allocated collateral and any variations, updating such information immediately whenever changes occur.

1.11. Participants must ensure the continuous operation of the collateral management system and its availability to clients. If the system becomes unavailable, Participants must notify clients and provide alternative channels through which the information may be accessed.

1.12. The unavailability of the collateral management system does not release Participants from the obligation to communicate that Limits 1 and 2 have been reached

or from any other communication required by this Supervisory Standard. Participants must retain the history of these communications and periods of system unavailability and must provide it to BSM upon request.

1.13. When identifying a reduction that results in insufficient collateral or a change in asset prices that places positions opened in the client's name at risk, Participants must:

(i) Prevent the increase of positions above the value of the collateral allocated in the client's name; and
(ii) Request that the client post additional collateral.

1.14. Participants must establish a mechanism to block client trading when the compulsory liquidation procedure for the client's positions begins. This mechanism is intended to prevent the client from trading concurrently with the compulsory liquidation process initiated by the Participant, which could result in the improper opening of a position.

1.15. The Participant must not carry out compulsory liquidation before activating the trading block mechanism. The Participant must maintain operational controls that mitigate the concurrent execution of position-closing transactions by the client and compulsory liquidation transactions.

1.16. Participants must update their controls and disclose to the market, on their respective websites, in their internal rules and/or in agreements entered into with clients, before the client begins trading and with a history of any changes, information regarding costs, fees and brokerage applicable to the compulsory liquidation of client positions, as well as the treatment of open orders on B3's electronic trading platform that consume the client's limit.

C. Leverage Control and Minimum Margin

1.17. The Participant must provide clear, complete, accurate and easily accessible information regarding the client's net worth, risks and collateral, enabling the client to monitor the risks arising from their positions. In this context, the Participant must also disclose the minimum margin required for each traded asset, when applicable, on its website[59] and in its internal rules. Participants must require at least the minimum margin amount disclosed by B3 to ensure control of client leverage when an order is entered to open or increase a position[60].

1.18. Participants that offer Retail Liquidity Provider ("RLP") must provide at least one platform configurable by an individual client that timely sends collateral utilization alerts for day-trade transactions whenever any change occurs, in addition to Limits 1 and 2, so that the client has time to react to market price fluctuations[61]. These alerts may be provided on the trading platform itself or through other official communication channels used by the Participant.

D. Close-Outs and Appropriate Use of Sender Location

1.19. The Participant must use a specific execution method (sender location[62]) when automatically submitting orders to close out or reduce client positions, as detailed below:

(i) **Compulsory Close-Out (Automatic Close-Out):** occurs only when the Participant, in fulfilling its risk control and management duties, closes or reduces a client's position after the loss limit established by the

[59] Pursuant to Article 35 of CVM Resolution No. 35.
[60] Pursuant to the B3 Trading Operational Procedures Manual.
[61] Pursuant to B3 Circular Letter 038/2025-VNC.
[62] Pursuant to B3 Circular Letter 038/2025-VNC.

Participant has been reached. When the compulsory close-out system is used, the Sender Location with the prefix "**ZER**" must be used.

(ii) **Manual Close-Out:** close-out transactions commanded by the Participant's trading desk or risk management area, for which the Sender Location with the prefix "**MES**" must be used;

(iii) **Assisted Close-Out:** a close-out carried out systemically by the Participant based on parameters defined by the client, which may include a percentage of the limit allocated to day trade, the maximum financial loss established, or any other controls that reduce or close out the position based on client-defined parameters on the platforms offered by the Participant. In this case, the Sender Location with the prefix "**ZAS**" must be used.

1.20. The compulsory close-out described in item (i) above is characterized by the absence of intervention by an operations professional to enter orders in the client's name. Such orders must be submitted exclusively through automated systems.

1.21. A manual close-out is characterized by using the trading desk execution method and must therefore use a connection designated for that method.

1.22. Situations in which the client commands the reduction of their own risk or the close-out of their position, whether through an end-client execution method or through an order transmitted to the trading desk, must not be confused with the compulsory liquidation process commanded by the Participant. Any additional costs for orders submitted by the client through the trading desk to voluntarily reduce or close out a position must be available on the Participant's website and in one or more of its internal rules, with a history of any changes maintained.

II. BSM's Approach

2.1. BSM continuously supervises and oversees compliance with the duties set out in this Supervisory Standard through audits and other forms of supervision and oversight, for the purpose of verifying the Participant's compliance with the established rules.

2.2. When supervising and overseeing a Participant's compulsory liquidation procedures, BSM verifies:

(i) Participants' internal rules and agreements, to verify the definition and retention of the information required by this Supervisory Standard, the disclosure of such information on the website and in the logged-in area, and the maintenance of a history of changes.

(ii) That the following information is made available to clients in a clear, complete, accurate and easily accessible manner:

a. The establishment of Limits 1 and 2 before compulsory liquidation is executed;
b. The method used to communicate alerts that Limits 1 and 2 have been reached and that compulsory liquidation has been carried out;
c. The Pre-Trade Risk Limit;
d. The Intraday Risk Limit;
e. Costs, fees and brokerage involved when the Participant carries out compulsory liquidation of client positions, as well as any costs related to orders submitted by the client through the trading desk to reduce or close out a position; and
f. The provision to clients of the value of their collateral, including updated variations calculated in accordance with criteria established in the Participant's internal rules.

(iii) The existence of prior communications relating to Limits 1 and 2 and a subsequent communication after the Participant executes the compulsory liquidation procedure. Participants must retain and ensure the traceability of these communications.

(iv) The existence of controls for opening and closing the selected position, including collateral allocation controls, where applicable, considering the guidelines set out in the BSM File and Audit Trail Layout Manual ("Layout Manual").

(v) The procedures used by Participants to:

a. Block client trading before the Participant initiates the compulsory liquidation procedure; and
b. Unblock client trading after completion of the compulsory liquidation procedure and/or after the client replenishes collateral and limits;
c. Treat orders remaining open on B3's electronic trading platform during and after the compulsory liquidation procedure.

(vi) The monitoring of pre-trade and intraday risk limits so that, when a position is opened, the client's Intraday Risk Limit is equal to or greater than the Pre-Trade Risk Limit.

(vii) Evidence of retention of information disclosed to the client regarding costs, fees and brokerage applied to compulsory liquidations commanded by the Participant on the dates of the selected transactions.

(viii) The adequacy of minimum margin amounts for the execution of the client's transaction and the disclosure of information in accordance with current regulations.

(ix) The appropriate use of a specific execution method (Sender Location) for compulsory liquidation carried out by the Participant.

2.3. Participants must retain the documents, audit trails, information and records referred to in this Supervisory Standard for the minimum period established in current regulations. BSM may require Participants to provide the documents and evidence of obligations identified in the applicable regulations and in this Supervisory Standard.

III. Eligibility for Reimbursement by B3's MRP

3.1. Any losses arising from conduct or an event that gave rise to a reimbursement claim due to noncompliance with current regulations, as established in this Supervisory Standard, may constitute a circumstance eligible for reimbursement of losses by the MRP.

IV. Enforcement

4.2. Participants that fail to comply with the duties established in current regulations and in this Supervisory Standard will be subject to Enforcement measures, in accordance with the BSM Procedural Regulations.

4.3. This Supervisory Standard will take effect on October 1, 2026, revoking Supervisory Standard No. 07/2022.

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V.12	November 21, 2025
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