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April 12, 2024

VIA E-MAIL AND FEDERAL EXPRESS

Haoxiang Zhu
Director
Division of Trading and Markets
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Re: Intent of B3 S.A to Rely on Class No-Action Relief for Foreign Options Markets and their Members that Engage in Familiarization Activities

Dear Mr. Zhu:

On behalf of B3 S.A. ("B3" or the "Exchange"), we are writing to notify you of the Exchange's intent to rely on the class no-action relief issued by the Securities and Exchange Commission's ("SEC" or "Commission") Division of Trading and Markets ("Staff") for foreign options markets and their members that engage in familiarization activities with certain U.S.-based persons.¹

Background

In the Class Relief, the Staff took a no-action position under which a Foreign Options Market,² its Representatives,³ and the Foreign Options Market's members, could engage in activities to familiarize Eligible Broker-Dealers/Eligible Institutions⁴ regarding the Foreign Options Market and Eligible Options

¹ See LIFFE A&M and Class Relief, SEC No-Action Letter (Jul. 1, 2013) ("Class Relief").

² The Class Relief defines a Foreign Options Market as a "non-U.S. derivatives market: (1) on which Eligible Options trade; and (2) that is an organized exchange operated and regulated outside the United States." An Eligible Option is defined in the letter to mean "an index option or option on an individual security traded on a foreign options market that is not fungible or interchangeable with options traded on any market other than the foreign options market, and, accordingly, each position in an eligible option issued by a clearing member of the foreign options market can be closed out only on the foreign options market."

³ The Class Relief defines a "Representative" as "an employee of the Foreign Options Market located inside or outside the United States who has been appointed to act as representative of the Foreign Options Market and may undertake the activities described in Section II [of the Class Relief] with respect to Eligible Broker-Dealers/Eligible Institutions [as defined below]."

⁴ An "Eligible Broker-Dealer/Eligible Institution" (and, individually, an "Eligible Broker-Dealer" or "Eligible Institution") is any entity that meets the following standards: (a) it must be a "qualified institutional buyer" as

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available on that market without the Staff recommending enforcement to the Commission under Sections 5, 6, 15, or 17A of the Securities Exchange Act of 1934 ("Exchange Act"). Under the terms of the Class Relief, a Foreign Options Market that does not already have no-action relief from the Staff may rely on the Class Relief to engage in familiarization activities if it notifies the Director of the Division of Trading and Markets of its intent to do so. More specifically, in order to make use of the Class Relief, a Foreign Options Market must send a letter, signed either by the Foreign Options Market's chief legal officer or the Foreign Options Market's U.S. counsel, to the Director of the Division of Trading and Markets that:

- Identifies the Foreign Options Market;
- Describes the Eligible Options for which the Foreign Options Market, its personnel, and its members seek to engage in familiarization activities with Eligible Broker-Dealers/Eligible Institutions; and
- Makes the following representations:
 - The parties will provide Commission staff promptly upon request a list of the specific equity and index options covered by the request for relief and will identify a primary listing market for each underlying equity security and index component.
 - The requesting entities have taken steps to comply with, and assure continued compliance with, each of the representations and conditions contained in the Class Relief and acknowledge that the Class Relief is only available to the requesting entities to the extent they are in compliance with each of the representations and conditions contained in the Class Relief.
 - All subject entities covered by the Class Relief will comply with each of the representations and conditions contained in the Class Relief, including the restriction on securities of U.S. issuers.

Description of B3

Brasil, Bolsa, Balcão, or B3,⁵ is registered with and under the supervision of the Securities and Exchange Commission of Brazil (i.e., Comissão de Valores Mobiliários), and is one of the world's largest financial market infrastructure companies, providing trading services in an exchange and over-the-counter ("OTC") environment. B3 is a public company traded under ticker symbol B3SA3 on the Novo Mercado premium listing segment and its stock is tracked by the Ibovespa, IBrX-50, IBrX and Itag indices, among others. It also has a solid tradition of innovation in products and technology and is one of the largest companies in market value holding a prominent global position in the stock market industry.

B3's scope of activities include the creation and management of trading systems, clearing, settlement, deposit and registration for the main classes of securities, from equities, corporate fixed income securities to currency derivatives, structured transactions and interest rate, and agricultural commodities. B3 also acts as a central counterparty for most of the trades carried out in its markets and offers central depository and registration services. Through its vehicle and real estate financing unit, B3 offers products and services that streamline local credit analysis and approval throughout Brazil, making access to secured loans easier, faster and safer. In vehicle financing, it is a leader in the provision of electronic delivery services of the

defined in Rule 144A(a)(1) under the Securities Act of 1933 ("Securities Act"), or an international organization excluded from the definition of "U.S. person" in Rule 902(k)(2)(vi) of Regulation S under the Securities Act; and (b) it must have had prior actual experience with traded options in the U.S. options market (and, therefore, would have received the disclosure document for U.S. standardized options called for by Rule 9b-1 under the Securities Exchange Act of 1934).

⁵ B3 was formerly known as BM&F Bovespa S.A. - Bolsa de Valores, Mercadorias & Futuros.

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information required for the registration of contracts and annotations of encumbrances with traffic authorities.

For purposes of this letter, B3 is a Foreign Options Markets in that it is a non-U.S. derivatives market (1) on which Eligible Options trade, or will trade, and (2) that is an organized exchange operated and regulated outside of the United States.

Description of Eligible Options

The Eligible Options that are the subject of this relief are options contracts that B3 offers or will offer on (1) individual stocks that are listed and traded on B3 and other stock exchanges excluding options on U.S. securities, (2) exchange traded funds, and (3) various indices. The Eligible Options are not fungible or interchangeable with options traded on any market other than B3. In addition, each position in an Eligible Option on B3 can be closed out only on and are cleared by B3.

Representations

For purposes of relying on the Class Relief for the Eligible Options, B3 makes the following representations:

- B3 will provide Commission staff promptly upon request a list of the specific equity and index options covered by the request for relief and will identify a primary listing market for each underlying equity security and index component;
- B3 has taken steps to comply with, and assure continued compliance by it, its representatives and its Members with, each of the representations and conditions contained in the Class Relief and acknowledges that the Class Relief is only available to the extent that B3, its personnel and its members are in compliance with each of the representations and conditions contained in the Class Relief; and
- B3 will comply with each of the representations and conditions contained in the Class Relief, including the restriction on securities of U.S. issuers.

* * * * *

We would be pleased to answer any questions that you or the Staff may have with regards to this notification of B3's intention to rely on the Class Relief. Please feel free to contact me at (202) 739-5201.

Sincerely,



Ignacio A. Sandoval

cc:

David Shillman, Associate Director, SEC
Richard Holley III, Assistant Director, SEC
An Phan, Special Counsel, SEC

Jose Manoel Ometo, B3
Luciana Pereira Costa, B3
Priscila Titelbaum, B3