FORM FBOT—EXHIBIT D-2

Request: Attach a description of the manner in which the foreign board of trade assures the following with respect to the trading system, separately labeling each description:

(1) Algorithm. The trade matching algorithm matches trades fairly and timely.

(2) IOSCO Principles. The trading system complies with the Principles for the Oversight of Screen-Based Trading Systems for Derivative Products developed by the Technical Committee of the International Organization of Securities Commissions (IOSCO Principles). Provide a copy of any independent certification received or self-certification performed and identify any system deficiencies with respect to the IOSCO Principles.

(3) Audit Trail.
(i) The audit trail timely captures all relevant data, including changes to orders.
(ii) Audit trail data is securely maintained and available for an adequate time period.

(4) Public Data. Adequate and appropriate trade data is available to users and the public.

(5) Reliability. The trading system has demonstrated reliability.

(6) Secure Access. Access to the trading system is secure and protected.

(7) Emergency Provisions. There are adequate provisions for emergency operations and disaster recovery.

(8) Data Loss Prevention. Trading data is backed up to prevent loss of data.

(9) Contracts Available. Mechanisms are available to ensure that only those futures, option or swap contracts that have been identified to the Commission as part of the application or permitted to be made available for trading by direct access pursuant to the procedures set forth in § 48.10 are made available for trading by direct access.

(10) Predominance of the Centralized Market. Mechanisms are available that ensure a competitive, open, and efficient market and mechanism for executing transactions.

Response:

The following descriptions are taken from pages 17-26 of the No-Action Request and are supplemented as follows:

Algorithm

The BVMF trade matching algorithm uses price/time priority logic. Price/time priority assures that trades are matched in a fair manner. Matches are made on a timely basis.

IOSCO Principles

In its 2008 No-Action Request, BVMF represented that in developing, deploying, and operating its trading system it had complied, and would continue to comply, with the IOSCO Principles.[1] Additionally, BVMF has satisfied the CVM, which has endorsed the IOSCO Principles, that BVMF conforms to the IOSCO Principles. Furthermore, BVMF's new Puma System was developed jointly with the CME and is based on the CME's trading system (with certain modifications made to comply with Brazilian securities laws), which is widely recognized as being in compliance with IOSCO Principles.

BVMF's meeting of the IOSCO Principles is illustrated by the detailed description of its trading system provided in connection with Exhibit D-1.

Audit Trail

BVMF provided a description of the manner in which its audit trail timely captures all relevant data, including changes to orders, and how audit trail data is securely maintained and available for an adequate time period at pages 22 – 23 of its 2008 No-Action Request. This description remains accurate.

Public Data

BVMF provided a description of the trade data it makes available to users and the public at page 23 of its 2008 No-Action Request.

Since then, as part of its introduction of the Puma Trading System, BVMF has updated its market data feed for Derivatives. The new market data interface will consolidate the market data feeds for Equities, Derivatives, and FX as these systems also migrate to the Puma System. The new market data feed uses the FIX 5.0/FAST connection. FAST is designed to optimize the electronic exchange of data for high volume, low latency data dissemination. FAST is a data compression algorithm that significantly reduces bandwidth requirements and latency between sender and receiver. Customers may still access the Unified Market Data Feed and BELL FIX Data Feed.

Reliability

BVMF described the reliability of its trading system at pages 23 – 24 of its 2008 No-Action Request. BVMF rigorously tested the Puma System prior to its implementation. Additionally, prior to deploying the Puma System in a live trading environment, BVMF provided extensive functional and non-functional tests (high availability, performance) in addition to mock trading sessions with the new system. The same process is repeated for any change to the Puma System. Moreover, the CME's trading system, upon which the Puma System is based, has a proven track record of reliability.

---

[1] See 2008 No-Action Request at page 18.

Secure Access

BVMF's derivatives trading system's security is guaranteed by:

(i) FIX session authentication (username and password);

(ii) Audit trail, covering all transactions performed on each FIX session.

BVMF Information Security Office is responsible for derivatives trading system's password management, while the Future Markets Trading team is responsible for users and FIX sessions' management.

All trading related messages exchanged between market participants and BVMF's derivatives trading systems is made through logically segregated connections.

Emergency Provisions

BVMF has adopted a Business Continuity Management (BCM) program in order to minimize the financial, operational, legal and regulatory impacts resulting from the unavailability of human, material and technological resources, which are essential for the sound functioning of its operations.

BVMF has 5 data centers: 2 primary sites and 3 contingency sites. Primary sites are Praça Antonio Prado and XV de Novembro; Contingency sites are Tivit, Diveo and Florêncio de Abreu. The Florêncio de Abreu building is the only contingency site located close to a primary site (700 meters). Nevertheless, communication and power grid infrastructures are completely independent and follow distinct paths. In order to mitigate the risk related to the current geographical distance between sites, BVMF is building a new datacenter, located 20 km away from its primary sites.

The technology architecture designed to meet BVMF's processing is distributed among the primary data centers and the contingency data centers, eliminating single points of failure.

BM&F has established general policies to respond to incidents affecting operation of the trading system. These policies provide guidance with respect to responding to possible operational problems, assign responsibility to address various issues and include well-understood escalation policies.

IV. Terms and Conditions of Trading Products

Data Loss Prevention

BVMF publishes a list of contracts not identified to the CFTC or not permitted to be made available for trading by direct market access on its website. The brokerage houses bear the responsibility for preventing their clients from trading these contracts. In the case of the order routing through Globex, those contracts are not available for trading in the system.

Contracts Available

U.S. persons with direct market access under BVMF's current 2008 No-Action Letter are, and would continue to be, systematically precluded from trading in contracts or other products that have not been identified to the Commission as part of the application or permitted to be made available for trading by direct access pursuant to the procedures set forth in § 48.10.

Predominance of the Centralized Market

The structure and operations of the BVMF trading system as well as the widespread, public availability of BVMF trade data all help ensure a competitive, open, and efficient market and mechanism for executing transactions.