

FORM FBOT—EXHIBIT G-2

Request: A description of the foreign board of trade’s trade practice rules, including but not limited to rules that address the following –

- (1) Capacity of the foreign board of trade to detect, investigate, and sanction persons who violate foreign board of trade rules.
- (2) Prohibition of fraud and abuse, as well as abusive trading practices including, but not limited to, wash sales and trading ahead, and other market abuses.
- (3) A trade surveillance system appropriate to the foreign board of trade and capable of detecting and investigating potential trade practice violations.
- (4) An audit trail that captures and retains sufficient order and trade-related data to allow the compliance staff to detect trading and market abuses and to reconstruct all transactions within a reasonable period of time.
- (5) Appropriate resources to conduct real-time supervision of trading.
- (6) Sufficient compliance staff and resources, including those outsourced or delegated to third parties, to fulfill regulatory responsibilities.
- (7) Rules that authorize compliance staff to obtain, from market participants, information and cooperation necessary to conduct effective rule enforcement and investigations.
- (8) Staff investigations and investigation reports demonstrating that the compliance staff investigates suspected rule violations and prepares reports of their finding and recommendations.
- (9) Rules determining access requirements with respect to the persons that may trade on the foreign board of trade, and the means by which they connect to it.
- (10) The requirement that market participants submit to the foreign board of trade’s jurisdiction as a condition of access to the market.

Response:

Chapter I, Article 3, Paragraph 1 of the BVMF Bylaws require the Company to:

- a) issue regulations relating to the granting of access authorizations to different BVMF trading, registration and settlement systems (“Access Authorizations”), establishing the terms, conditions and procedures for the granting of such authorizations (“Access Regulation”);
- b) establish operational standards and rules to maintain equitable commercial and trading principles and high ethical standards for market participants, as well as to regulate the transactions and decide operational matters related thereto;

- c) regulate the activities of the holders of Access Authorizations in the systems and markets under BVMF's responsibility;
- d) establish mechanisms, operational standards, and rules to prevent market participants from breaching applicable rules and regulations, including obligations to be fulfilled by holders of Access Authorizations in connection with the transactions undertaken and/or registered in any of the Company's trading, registration and clearing systems;
- e) monitor the negotiations and operations in any of the markets regulated by BVMF, as well as the related registration, clearing and settlement systems;
- f) monitor the activities of the holders of Access Authorizations, such as participants and intermediaries operating in any of the markets regulated by BVMF, including the registration and clearing systems under BVMF's surveillance; and
- g) apply penalties (such as suspension) to those who do not comply with the requirements set forth as applicable to the markets regulated by the BVMF.

BVMF fulfills its self regulatory responsibilities in a manner comparable to the operations of a U.S. designated contract market. In addition to the Derivatives Clearinghouse Rulebook, BVMF issues Circulars and other binding notices on market participants which govern Trading Rights Holder's conduct, both with respect to trading on the exchange as well as with respect to Commodities Brokerage Houses sales and financial conduct in relation to their customers. Additionally, BVMF sets forth certain standards of behavior to be followed by market participants and BSM actively follows up on all compliance and audit matters and enforces the standards established by BVMF.

As previously discussed in Exhibit B, BVMF's rules determining access requirements with respect to the persons that may trade on the foreign board of trade, and the means by which they connect to it include, among other requirements, that: Trading Rights Holders be fit, not have any statutory disqualifications, provide customers with disclosure information, have adequate capital, have adequate systems, provide customers with confirmations, not abuse customer orders or manipulate the market, and provide the Exchange with requested information. BVMF also provides a mechanism for segregating customer funds. In addition to these specific requirements, BVMF also has a general requirement that Trading Rights Holders follow "just and equitable principles of trade."¹

Self-regulation is conducted by BSM, a separate legal entity that, as detailed in Exhibits F and G-1, conducts oversight and post-trade surveillance of all markets regulated by BVMF, including surveillance to detect possible abusive trading violations. For example, post trade information is analyzed in order to verify whether there were cross-trades by the same position holder, which are prohibited. Other forms of abusive trading, such as engaging in fictitious transactions, pre-arrangement of trades, acting individually or in concert to give a false impression of market activity, and false dissemination of information are also prohibited. The BSM staff has authority to make such inquiries of Trading and Settlement Rights Holders regarding any suspicious activities and may make such further investigation as is warranted. As a condition of access to the market, Trading and Settlement Rights Holders must submit to the BSM's jurisdiction.

¹ CVM Instruction 505 (2011).

CVM Rule 8 (October 8, 1979), is one of the primary sources for defining and prohibiting abusive market conduct. This instruction defines and prohibits price manipulation, “fraudulent trading,” and “unfair practice.” As Brazil is a civil/code law country, CVM Rule 8’s definitions are purposefully broad in order to maintain the continuing applicability of CVM Rule 8; any specific provision would soon be outdated. Another important authority in defining prohibited market conduct is BVMF Circular Letter 036/2012.² This circular elaborates on CVM Instruction 505, establishing additional rules to be followed by the members, including, but not limited to, that members must act in the best interest of their customers, provide certain disclosures to their customers, implement appropriate internal controls and control mechanisms with respect to customer property, maintain books and records, adopt measures to avoid/minimize conflicts of interests, and ensure fair treatment to their customers.

CVM Rule 461 sets forth the relevant law on effective arrangements for monitoring transactions to identify irregular trading conditions. CVM Rule 461, Articles 28, Sections III and IV, and Article 42, sole paragraph, require BVMF to establish effective mechanisms and procedures in order to identify disorderly trading conditions that may undermine the functioning, transparency and credibility of the market. BVMF complies with these requirements, in part, by monitoring trading activities on a real time basis, and through BSM.

BVMF’s rules, in its Operational Regulations, state that traders may not execute an order or carry out any trade that directly or indirectly contributes to, for example, creating artificial conditions of demand, supply and/or price; the manipulation of prices, execution of fraudulent transactions, or originate non-equitable practices. In any of these cases, the market participant’s operations may be suspended and the CVM is notified of such suspension and its basis.

BSM oversees the market by analyzing post-trade data and conducting frequent audits of market participants. This allows BSM to identify and cross-compare events that may illuminate irregularities, such as unusual trading patterns or other indicators of suspicious activity. In connection with this analysis, the audit team of BSM produces indicators and reports, based on statistical analyses, describing suspicious, illegal/undesirable trading practices. BSM has a team dedicated to post-trade market surveillance, which uses a data mining software containing all post-trade information that, once analyzed using SAS (statistical analysis tool) yields a set of activity indicators such as:

- overall financial performance
- day-trade performance
- unusual activity in specific markets
- trades between companies from the same financial group
- trades between funds managed by the same institution.

If an exception report is generated in connection with post-trade data, the market surveillance team of BSM will make further specific inquiries relating to the flagged trading. In this regard,

² BVMF Circular Letter 036/2012 is enclosed as Attachment G-2-1.

surveillance staff will open an inquiry when suspicious trades or trading patterns have been identified through the various electronically-generated exception reports.

The Clearinghouse is responsible for clearing operations and for monitoring risk, conducting risk assessment, and related clearing functions. In the event that a Settlement Right Holder's position is deemed to pose an unacceptable risk to the clearinghouse, BVMF has the authority to take any necessary measures including suspending the Settlement Rights Holder's trading, closing open positions, and requiring the posting of additional margin or other necessary action as set forth in the Clearinghouse Rulebook and Clearing House Operations Manual.

Article 16 of CVM Instruction No. 461 (Attachment A-5-1) requires BVMF to retain a complete record of the audit trail information of transactions carried out on the exchange. Specifically, Article 16 of CVM Instruction No. 461 requires the managing entity of an exchange to keep a record of the transactions in the trading environment for no less than 5 years. With respect to the Puma System, the audit trail captures all bids, offers, and executed transactions entered into on the System. This information is maintained for five years. The requirement of Article 16 of CVM Instruction No. 461 is further buttressed by and reflected in Article 63 of CVM Instruction No. 461, which requires the market operator to maintain for at least 5 years, a "warehousing and recovery system of data referring to offers and operations carried out to permit a query or tracing thereof."

In addition to the above, trading sessions for the BVMF Segment are managed and monitored in real time by the "Operations Officer". The Operations Officer is obliged to require order, clarity and discipline during the trading session and may exclude anyone who has not immediately accepted his or her decisions. On the Derivatives (BVMF) Segment, monitoring activities are regulated by the BVMF Segment Operating Rules Chapter 3. Trading or other actions of intermediaries non-compliant with the rules established by the Exchange are subject to penalties, as stated in the BVMF Segment Operating Rules Chapter 11. The Trading Official, in order to comply with his monitoring duties, may authorize the correction or cancellation of registered transactions, if such transactions infringe on any law or regulation.

Where irregularities committed by market participants are verified, BSM applies penalties, according to the provisions of CVM Instruction 461/2007 and pursuant to its administrative proceeding regulations. BSM can apply the following penalties as disciplinary measures: Warnings; Fines; Suspensions (up to 90 days); and Temporary Disqualifications (up to 10 years).³

BVMF prohibits a number of specific types of market conduct. In the Second Supplement to the 2008 Request for No-action, dated July 16, 2008, BVMF listed the following prohibited conduct or activity and the citation to the relevant authority. All of market behaviors listed below remain prohibited on BVMF at this time. Please note that the citation to the relevant authority is to an Attachment to the Second Supplement, unless otherwise noted. All of the relevant documents remain in force and effect at this time and are incorporated herein by reference.

³ See CVM Rule 461, Article 48, Section III; *see also* BSM Bylaws, Article 28.

<i>CONDUCT</i>	<i>RELEVANT AUTHORITY</i>
Failure to observe exchange rules.	Each manual and rulebook contains the applicable sanction in case of failure to observe exchange rules.
Prohibition on manipulation	Attachment 2, CVM Instruction No.8 (October 8, 1979)
Prohibition on "fraudulent trading"	Attachment 2, CVM Instruction No.8 (October 8, 1979)
Prohibition on unfair practices	Attachment 2, CVM Instruction No.8 (October 8, 1979); CVM Instruction No. 461, Article 47 (October 23, 2007) (Attachment A-5-1); Law 6385, Article 4, VII (December 7, 1976)
Provide information as requested by the Exchange	Attachment 4, CVM Instruction No. 461, (October 23, 2007), Articles 28, 44 and 45
Prohibition on non-competitive trades, except as permitted by exchange rule, cross trades and EFPs	Attachment 5, Circular Letter (April 8, 2008 032/2008-DG)
Rules on Block Trades	Attachment 8, Circular Letter (March 24, 2004 - 041/2004-DG)
Prohibition on wash trades	BVMF Clearinghouse Operations Manual (Section 1.5, page 38) (Attachment A-5-3)
Prohibition on brokers front-running customers	CVM Instruction No. 358, Article 18 (January 3, 2002)
Prohibition on pre-arrangement of trades	CVM Instruction No. 8 (October 8, 1979)

July 04, 2012
036/2012-DP

CIRCULAR LETTER

To: The BM&FBOVESPA (BVMF) Market Participants – BM&F and BOVESPA Segments

Re: **CVM Instructions 505 and 506 of September 27, 2011.**

The recent publication of CVM Instructions 505 and 506, both of September 27, 2011, brought significant changes to the Brazilian regulatory environment, enhancing the rules and procedures to be observed in trades executed with securities in the regulated marketplaces.

The stipulations of CVM Instructions 505 and 506, delegated to BM&FBOVESPA in the quality of administrative body of the organized marketplace, are detailed below.

We wish to highlight that the acronyms and terms used in this Circular Letter shall have the meanings and definitions that are listed in Annex I.

1. Nonresident investors – articles 9, 10 and 11 of ICVM 505

1.1.Simplified registration

1.1.1 The Participant shall maintain simplified registration of nonresident investors, containing the minimum content laid out in Annex II to this Circular Letter.

1.1.2 Simplified registration use is prohibited to nonresident investors operating through a foreign intermediary that has failed to meet its obligation of providing the simplified registration information dealt with in article 9 of ICVM 505.

1.2 Minimum content of the agreement entered into by the Participant and the foreign intermediary

1.2.1 For the intermediation of transactions involving nonresident investors in the markets and systems managed by BM&FBOVESPA (with the use of simplified registration), the participant and foreign intermediary shall enter into an agreement that has as its minimum content that established in Annex III to this Circular Letter.

1.3 The timeframes for and manner of sending information

1.3.1 Information regarding the agreement entered into between the Participant and the foreign intermediary shall be sent to BM&FBOVESPA through its registration system upon the start of trading by the first investor linked to it.

1.3.2 Information regarding changes to the agreement, its termination, or the failure to meet any of its terms must be sent to BM&FBOVESPA through its registration system within three (3) business days of the event.

1.4 Verification of compliance

1.4.1 BSM will check whether contracts comply with item 1.2 and whether Participants are in compliance with the relevant rules, observing the procedures established in its corporate bylaws and manuals and rulebooks and including this verification in its work schedule.

1.5 The rules mentioned in this item 1 do not apply to nonresident investors that execute transactions with agricultural forward, futures and options contracts in accordance with Resolution 2,687 of the National Monetary Council, for which the rules laid out in Circular Letter 025/2000-DG – BM&F Segment – remain valid.

2. Order input system – articles 12-14 of ICVM 505

2.1. The participant shall maintain a registration system for all of the orders that its customers issue to the trading desk, received by agents and/or by automatic connections, including self-employed agents.

- 2.2.** The order input system must include orders transmitted: (i) by dialogs held by telephone or other voice transmission systems (recorded as per item 2.5 below); (ii) by instant messaging system; (iii) personally; or (iv) by automated connections.
- 2.3.** The registrations and recordings made must be held in their entirety by the Participant for a period of five (5) years as of the date of the transaction's execution, or more, in the case of hearings, when determined by CVM, BM&FBOVESPA or BSM.
- 2.4.** All of the Orders must be received by a professional qualified as a Trader linked to the Participant, in accordance with the Rules and with the Parameters of Activity and with the criteria that the Customer establishes in its registration.
- 2.5. Orders transmitted by telephone and other voice transmission systems:**
- 2.5.1.** The registration of Orders received by telephone or other voice transmission systems must occur through a recording system that permits clear reproduction of the dialog held by the customer or its representative with the Participant or its agents (including self-employed agents), and shall include:
- (a) The date, start time, end time, or time of duration of each recording of the dialogs with customers;
 - (b) Identification of the customer and as the case may be of its representative and of the Participant's representative or agents (including self-employed agents), with the respective telephone extension or equivalent identifier;
 - (c) The nature of the buy or sell Order, and of the Order type (as described in the relevant regulations);
 - (d) The Order's term of validity;
 - (e) A description of the Asset, of the quantities and of the prices, as applicable;
 - (f) Control of all the recordings that are made every day.

- 2.5.2.** It is incumbent upon the Participant to guarantee that all of the Orders are duly registered, with identification of the time received, the customer that issued them and the conditions for their execution, in accordance with the terms of the single paragraph of article 12 of ICVM 505, even if, for any reason, there is the suspension or interruption of the recording system.
- 2.5.3.** The Participant will grant customers access to recordings of the dialogs held between customers and their representatives or agents (including self-employed agents), provided that they are destined towards the defense of the customer's rights and towards clarifying questions related to the customer's account or transactions.
- 2.5.4.** The Participant will keep its recordings available for the convenience of BM&FBOVESPA and BSM and is not permitted to refuse access or the supply of copies.
- 2.5.5.** BM&FBOVESPA and BSM may determine that the Participant make transcripts of the dialogs held between the Participant and its customers and between the Participant and its agents (including self-employed agents).
- 2.5.6.** The Participant must adopt the necessary measures for the periodic maintenance and continuous monitoring of the recording system, in order to assure perfect recording quality, integrity, continuous functioning, the full reading and recovery of information, and to preclude insertions to or the editing of recordings.
- 2.5.7.** In order to meet what has been established in item 2.5.6, the Participant must:
- (a) Implement controls that guarantee the integrity and totality of the histories registered through the recording system, foreseeing, at least, the execution of a daily backup of all of the recordings made by the recording system, with integrity and information recovery tests, as well as the maintenance of

- backup files in a physically separate environment to that originally destined for storage of the data;
- (b) Maintain a daily updated report with the registration of each and every occurrence with the recording system that might compromise, even if only partially, the registration and/or reading and recovery of recordings. The report must contain, as well as a detailed description of the observed problem, the time the observed problem started and the time that it ended, the measures taken to correct it, and the verified consequences.

2.6. Orders transmitted by instant messaging systems

- 2.6.1.** The Participant must also make an intelligible recording of all of the Orders received by instant messaging systems that customers issued to the Participant or to their representatives, observing, as applicable, that set out in item 2.5.1.

2.7. Orders transmitted personally

- 2.7.1.** Orders received personally must be registered in writing observing, as applicable, what is set out in item 2.5.1.

3. Automated connections – Articles 15 to 18 of ICVM 505

- 3.1.** The automated connection rules and procedures can be found in Chapter VII of the Operational Procedures Manual for BOVESPA segment and in Chapter IV of the Operational Regulations and Chapter V of the Operational Procedures Manual for the BM&F segment.

4. Order Execution – articles 19 to 21 of ICVM 505

- 4.1.** The Participants' Rules and Parameters of Activity shall include procedures and internal controls regarding order execution, which must be sent to BM&FBOVESPA and BSM in the manner set out in item 8.3., observing the National Monetary Council rules about the implementation of internal controls applicable to institutions authorized to operate by the Central Bank of Brazil.

5. Identification of the end Customer– articles 22 and 23 of ICVM 505

5.1. As of October 01, 2012, the Participant must identify the Customer that has sent orders through its trading desk, within 30 (thirty) minutes of the trade being registered and except in the following cases:

5.2. BOVESPA Segment

5.2.1. Master Account

(a) Master Account designation must occur within **three (3) hours** of trade registration in the case of equity derivatives and cash market transactions.

Trades not designated to a Master Account within the timeframe defined in this Circular Letter shall not be allocable to an investor linked to any Master Account.

(b) Identification of the end account linked to the Master Account must observe the following timeframes, depending upon the market in question:

(i) Until **9:30 p.m.** of the day after trade registration (T+1) for transactions in the cash equities market; and

(ii) Until **9:30 p.m.** of the day the trade is registered (T0) for equity derivatives transactions.

Trades initially designated to a determined Master Account may not be subsequently allocated to a customer not linked to the previously designated Master Account.

5.2.2. Nonresident Investors

The identification of end customers that are nonresident investors must observe the following timeframes, depending upon the market in question:

(a) Until **9:30 p.m.** of the day following trade registration (T+1) for transactions in the cash equities market ; and

(b) Until **9:30 p.m.** of the day of trade registration (T0) for equity derivatives transactions.

5.2.3. Competing Managed Orders:

- (a) The designation of a trade from a Competing Managed Order must occur within **30 (thirty) minutes** of trade registration.
- (b) The designation mentioned in the previous subparagraph must be executed through the allocation of the trade in a specific account previously registered with BM&FBOVESPA.
- (c) Customer identification must observe the following situations and timeframes:
 - (i) Customers linked to a Master Account:
 - Master Account designation must occur by **9:30 p.m.** of the day of trade registration (T0);
 - Identification of the end account linked to the Master Account must observe the timeframe described in subparagraph “b” of item 5.2.1.
 - (ii) Customers that are nonresident investors: must observe the timeframe described in item 5.2.2.
 - (iii) Other customers with orders executed by Competing Managed Orders: customer identification must occur by **9:30 p.m.** of the day the trade is registered (T0).

5.3. BM&F Segment

5.3.1. Master Account

- (a) Master Account designation must occur within **one (1) hour** of trade registration or of approval of the give-up, whichever occurs later.

Trades not designated to a Master Account within the timeframe established in this Circular Letter cannot be allocated to a Customer linked to any Master Account.
- (b) Identification of the Customer account linked to the Master Account must occur by **7:30 p.m.** of the day of trade registration (T0).

Trades originally designated to a determined Master Account cannot be subsequently allocated to a Customer not linked to the previously designated Master Account.

5.3.2. Designation of give-up and Direct Settlement Participant (PLD)

The following time limits shall be observed:

- (a) The designation for give-up or PLD shall occur within **20 (twenty) minutes** of trade registration;
- (b) Approval or rejection of the give-up or PLD shall occur within **40 (forty) minutes** of trade registration;
- (c) Identification of the account of the customer linked to the PLD shall occur by **7:30 p.m.** of the day of trade registration (T0).

5.3.3. Nonresident investors

Identification of the customers that are nonresident investors shall observe the following time limits:

- (a) Until **5:30 p.m.** of the day of trade registration (T0) in the case of nonresident investors whose transactions are executed in accordance with the terms of BACEN Resolution 2687.
- (b) Until **7:30 p.m.** of the day of trade registration (T0) in the case of other nonresident investors.

5.4. The respecification of transactions in which there has been a trading error, including within the allocation timeframe, must be justified by the Participant and authorized by BM&FBOVESPA, as long as what has been set out in the Derivatives and Equities Clearinghouse Rules and Manuals and in Circular Letters 010/2012-DP and 017/2012-DP is observed.

5.4.1. BM&FBOVESPA maintains controls over the results and movements of the error account, with it not being permitted to use it for assigning trades from the Participant's own portfolio.

6. Locals – article 24 of ICVM 505

6.1. This category of Participant is inactive and is in the process of being discontinued by BM&FBOVESPA.

7. Give-ups – article 26 of ICVM 505

7.1. A give-up is the transfer of a trade between one Participant and another.

7.1.1. The give-up shall be promoted by the Participant that executed the transaction in the BM&FBOVESPA trading systems (“executing Participant”) transferring it to the Participant that will carry out the clearing and settlement of the transaction (“carrying Participant”), which is responsible for confirming or rejecting the give-up within the timeframe and conditions established by BM&FBOVESPA.

7.1.2. If the give-up is rejected the executing Participant shall be responsible for clearing and settlement.

7.2. The give-up may occur:

7.2.1. On the request of the carrying Participant, based on an Order it issues to the executing Participant (“Brokerage”).

7.2.1.1. Brokerage is the relationship between two Participants whereby the carrying Participant passes the executing Participant, for execution and subsequent return of the trades, the Orders received from third parties, Customers of the carrying Participant.

7.2.1.2. The Participants involved in Brokerage must be linked by an agreement that establishes the rights and responsibilities of each party, while the minimum content indicated in Annex IV of this Circular Letter must be observed.

7.2.1.3. The Brokerage agreement only involves the Participants, with it being the carrying Participant’s responsibility to keep its customer informed that orders emanating from it may be met in the BM&FBOVESPA systems by the executing Participant.

7.2.1.4. Responsibilities:

- (a) The carrying Participant is responsible for the following:
 - (i) Registration of the customer’s Order, being under obligation to observe that set out in the applicable legislation and rules,

- indicating that the Order is associated to the give-up the corresponding trade;
 - (ii) The clearing and settlement of the trade; and
 - (iii) Control of the position.
- (b) The executing Participant is responsible for the following:
- (i) Registration of the carrying Participant's Order, being under obligation to observe that set out in the applicable legislation and rules, indicating that the Order is associated to the give-up the corresponding trade;
 - (ii) Execution of the order in the BM&FBOVESPA Trading Systems;
 - (iii) Registration the executed trade, and
 - (iv) Giving up the executed trade, being responsible for observance of that set out in the applicable legislation and rules.

7.2.2. At the behest of the customer of the executing participant, as long as it is also a customer of the carrying participant ("Tripartite Give-Up").

7.2.2.1. In the Tripartite Give-Up a Customer issues orders to be executed by a Participant, with it being the responsibility of this latter to carry out the give-up of the trades to another Participant, nominated by the Customer and which will hold the positions and through which the corresponding settlements shall occur.

7.2.2.2. The Participants involved in the Tripartite Give-Up must have a contractual link that establishes the rights and responsibilities of each party, with observance obligatory of the minimum content stipulated in Annex IV of this Circular Letter.

7.2.2.3. The Customer must maintain an intermediation agreement with the two Participants involved (being able to adopt a single instrument to this end, involving the three parties), which must also be duly registered with the two Participants.

7.2.2.4. Responsibilities

- a) The Carrying Participant is responsible for executing:
 - (i) the clearing and settlement of the trade; and

- (ii) Control of the position.
- b) The Executing Participant is responsible for:
 - (i) Registration of the Customer's Order, being responsible for observing that set out in the applicable legislation and rules, and indicating that the Order is destined towards giving up the corresponding trade;
 - (ii) Execution of the Order at the locale or in the BM&FBOVESPA Trading Systems;
 - (iii) Registration of the executed trade; and
 - (iv) Giving up the executed trade, being responsible for observing that set out in the applicable legislation and rules.

7.3. Additionally, the procedures must be observed that are established in (i) the Derivatives and Equities Clearinghouse Rules and Manuals; (ii) in Circular Letters 078/2003-DG (excluding Annex II), 082/2007-DG and 016/2008-DP; and (iii) in External Communication 043/2009-DC.

7.4. Minimum content of the contract establishing the give-up link

7.4.1. The contract that establishes the link for trade give-ups in the BM&F segment and for processing the trades of Qualified Investors in the BOVESPA Segment shall contain, at least, what is stipulated in Annex IV of this Circular Letter.

8. Internal rules adopted by Participants to meet ICVM 505 and to prevent Customers' interests being harmed through a conflict of interests – article 34 of ICVM 505

8.1. The internal rules covered by article 34 of ICVM 505 must be reflected in the Rules and Parameters of Activity to be drawn up and adopted by each Participant.

8.2. Minimum Content

8.2.1. The Rules and Parameters of Activity must contain the procedures adopted by the Participant as regards:

- (a) Registration;

- (b) Accepted Order types;
- (c) The times Orders are received;
- (d) Order issue type, including the accepted instant messaging services;
- (e) Trading policy for linked persons and own portfolio;
- (f) The term of validity of Orders;
- (g) Procedures for the refusal and cancellation of Orders;
- (h) Order registration;
- (i) Order execution (execution, non-execution and confirmation), including those received via home broker;
- (j) Distribution of trades, including rules for Brokerage and for Tripartite Give-Up;
- (k) Trade settlement;
- (l) Risk control;
- (m) Assets under Custody;
- (n) Voice recording system; and
- (o) The means of informing customers about changes to the Rules and Parameters of Activity.

8.2.2. The Rules and Parameters of Activity shall establish that the Participant, in conducting its activities, will observe the following principles:

- (a) Probity in conducting its activities;
- (b) Concern for market integrity, including in the selection of customers and the requirement to deposit collateral;
- (c) Training for the performance of activities;
- (d) Diligence in meeting orders and in customer specification;
- (e) Diligence in the control of customers' positions in custody, with periodic conciliation between:
 - (i) orders executed;
 - (ii) positions contained in statements and in reports of movements supplied by the entity providing custody services; and
 - (iii) positions provided by the clearinghouses.
- (f) The obligation of obtaining and presenting to its customers with the necessary information for meeting orders;

- (g) The adoption of measures to prevent the execution of transactions where there is a conflict of interests and to assure the equitable treatment of its customers; and
- (h) Provide customers, in a timely manner, with documentation of the trades executed.

8.3. Delivery manner and timeframe

- 8.3.1.** The Participants shall forward the Rules and Parameters of Activity, before they come into effect, to the BM&FBOVESPA (Distributor Relations Department) and to BSM.
- 8.3.2.** Changes to the Rules and Parameters of Activity must be sent to BM&FBOVESPA (Distributor Relations Department) and to BSM at least five (5) business days prior to the date on which the changes will be effectively implemented.
- 8.3.3.** Prior to implementation, the Rules and Parameters of Activity must be made available on the Participant's page on the worldwide computer network. Any change to the Participant's Rules and Parameters of Activity must be communicated to the Participant's customers in the manner set forth in the prevailing Rules and Parameters of Activity.

9. Intermediation agreement

- 9.1.** The Participant must enter into an intermediation agreement with its customers, including nonresident customers (being able to use an equivalent instrument), establishing the clauses and the conditions of the relationship between the parties, observing the minimum content established in Annex V.
- 9.2.** The intermediation agreement must highlight the clauses that restrict the investor's rights and which warn about market risks - for example those regarding compulsory settlement and those regarding the risk of losses to equity, among others.

10. Timeframes

10.1. The Participants must adapt to the rules established in this Circular Letter within the timeframe established in ICVM 505, except in the following cases:

- (a) The Rules and Parameters of Activity must be updated in accordance with that set out in ICVM 505 and in this Circular Letter by September 20, 2012;
- (b) That set out in item 5 of this Circular Letter is applicable as of October 01, 2012; and
- (c) The adaptation of the communications, rules and manuals mentioned herein must occur within the timeframes set out in the respective documents.
- (d) The Participants must promote the necessary changes so that the intermediation agreements take into consideration everything set out in item 9 as customers' registration updates are being executed.

11. Other provisions

11.1. For the purposes of article 1, item VI, of ICVM 505, which defines the linked person, trading support activities are those related to the performance of functions that allow information to be gathered about customers' transactions due to access to physical or electronic trading environments.

11.2. For the purposes of compliance with what is set out in paragraph 4 of article 5 of ICVM 505, BM&FBOVESPA shall publish at an opportune time the terms and standards to be observed by the Participants, for providing BM&FBOVESPA with information about persons authorized to issue orders in the name of more than one customer.

Therefore, the Participants must keep this information duly updated in their systems and must submit it to CVM, BM&FBOVESPA and BSM whenever requested.

11.3. As foreseen in article 6 of ICVM 505, the Participant must keep its customers' registration updated with BM&FBOVESPA in accordance with the terms and standards established by CVM

regarding the Participant's registration of customers and observing the minimum content established in Annex VI.

- 11.4.** All payment and receipt between the Participants and customers must stem from the exercise of activity foreseen in the intermediation agreement entered into between the parties.
- 11.5.** The transfer of resources between customer accounts will not be permitted.
- 11.6.** The Participant shall only allow the exercise of activities related to the intermediation of securities by persons with which it has a contractual or employment tie and which are authorized by the CVM, when applicable.

As a result of this Circular Letter, the *PQO Roteiro Básico* (in Portuguese) has been amended, with its new version to be published at an opportune time.

The present Circular Letter comes into effect on this date, unless expressly stipulated otherwise, with Circular Letters 093/1999-SG, 118/2003-DG, 118/2005-DG and 119/2005-DG for the BM&F Segment and Circular Letters 271/2003-SG and 074/2006-SG for the BOVESPA Segment revoked, along with any other feature that is in any way at odds with that stipulated in ICVM 505, in ICVM 506, or in this present Circular Letter.

Further information may be obtained from the Distributor Relations Department by telephone at (+55 11) 2565-4265.

Edemir Pinto
Chief Executive Officer

Marcelo Maziero
Chief Product and Customer
Officer

Annex I to Circular Letter 036/2012-DP

Acronyms

BACEN – Central Bank of Brazil
BSM – BM&FBOVESPA Market Supervision
CVM – Securities and Exchange Commission
PLD – Direct Settlement Participant
PQO – Operational Qualification Program

Definitions

Full Clearing Agent – an institution responsible, before its customers and BM&FBOVESPA, for the settlement and provision of collateral for its own transactions and/or those of its customers.

Asset – any security, index, rate, currency, product, or other value or financial instrument authorized by BM&FBOVESPA for trading or registration in the Electronic Trading System, directly or indirectly, including as an underlying Asset.

Brokerage – the relationship between two Participants, whereby the carrying participant passes the executing participant (for execution and subsequent return of the trades) the Orders received from third parties, customers of the carrying participant.

Customer – an individual or company, including collective investment body (investment fund or investment club), that is authorized to trade Assets via a Participant, or which has its portfolio of Assets managed by a Participant.

Master Account – an account that holds the accounts of the investors linked to it and which groups investors by their common links, such as shared management or being represented by the same international intermediary authorized to act in that capacity.

ICVM 505 – CVM Instruction 505 of September 27, 2011.

ICVM 506 – CVM Instruction 506 of September 27, 2011.

Qualified Investor – a customer authorized to settle its transactions through a Full Clearing Agent, independently of the Participants through which it has traded.

Offer – the act whereby the Participant manifests its intention to buy or sell Assets for itself or third parties, registering the necessary terms and conditions in the Electronic Trading System.

Order – the act prior to execution of a trade, by which the customer determines that the Participant trade or register a transaction with a security in its name and under the conditions it specifies.

Managed Order – whereby the investor specifies only the asset to be executed and its total quantity or financial volume, with the distribution of the executions (price, quantity and time) being the responsibility of the Participant.

Competing Managed Order – a Managed Order issued simultaneously with one or more Managed Orders or Discretionary Orders for the same Asset, in the same direction, competing for execution. In trades carried out through Competing Managed Orders, allocation occurs to the respective customers only after execution of the trades, in accordance with the average execution price.

Discretionary Order – an Order issued by the customer, securities portfolio administrator, or whoever most represents a customer, establishing the conditions for the Order's execution.

Participant – an institution authorized to access the markets managed by BM&FBOVESPA, to execute trades on this market on its own behalf or on the behalf of customers.

Executing participant – a Participant that on its own behalf or on the behest of a customer executes the giving-up of an order.

Carrying participant – a Participant that executes the clearing and settlement of a transaction stemming from a give-up.

Derivatives and Equities Clearinghouse Rules and Manuals – the Operating Rules of the Clearing Facility and Central Securities Depository for BOVESPA Markets and the Rule Book on Operating Procedures and Standards of the Clearing Facility and Central Securities Depository (CBLC) for BOVESPA Markets; and the Derivatives Clearinghouse Rulebook and the Securities Clearinghouse Procedure Manual, jointly.

Rules and Parameters of Activity – a document that describes the procedures adopted by the Participant when executing its activity in the markets managed by BM&FBOVESPA.

Tripartite give-up – a form of give-up whereby a customer issues Orders to be met by a Participant that gives up the trades resulting from these Orders to another Participant (designated by the Customer), which will carry the positions and through which the corresponding settlements will take place.

Connectivity sessions – electronic systems for automated connection as defined in the Securities and Exchange Commission of Brazil's rules.

Electronic Trading System – The electronic trading system used by BM&FBOVESPA to register Orders and trades in the markets that it manages.

Annex II to Circular Letter 036/2012-DP

**MINIMUM CONTENT OF THE SIMPLIFIED REGISTRATION OF
NONRESIDENT INVESTORS**

a) Identification of the nonresident investor

Name
Full address (including postal code)
Telephone
Fax
Email
CVM operational code
CNPJ/CPF

b) Identification of the legal representative

Name
Full address (including postal code)
CNPJ/CPF

c) Identification of the custodian (when not the legal representative)

Name
CNPJ/CPF

d) Foreign intermediary institution

Name
Country of origin
Identification document in the country of origin
Address
Telephone
Fax
Email
Regulatory body

e) Natural persons authorized to issue orders

Name

Country

Document type

Document number

f) Portfolio manager

Name

CNPJ/CPF

g) Joint account in name of

Name

CNPJ/CPF

CVM Code

Annex III to Circular Letter 036/2012-DP**MINIMUM CONTENT OF THE AGREEMENT ENTERED INTO BETWEEN THE PARTICIPANT AND THE FOREIGN INTERMEDIARY**

1. A clause that contains the foreign intermediary institution's obligation to:
 - a) Present the nonresident investor's duly updated registration information (i) to the Participant (ii) to BM&FBOVESPA and/or (iii) directly to CVM, in such manner that they are able to meet the requirements set out in CVM regulations regarding customer registration in the ambit of the securities market, in the requested manner and timeframe;
 - b) Identify and know customers and take every precaution against activities linked to money laundering procedures;
 - c) Identify and communicate eventual changes regarding the individual/area responsible for holding its customers' information;
 - d) Give previous notice to customers about Brazilian capital markets legislation (in particular the statutes, laws, codes, regulations, rules and requirements of the government authorities, regulatory bodies and self-regulatory organizations that are relevant for the operation of the Brazilian capital markets) by providing a copy of this content, or by indicating where this legislation may be consulted;
 - e) Inform customers that trades executed in Brazil are subject to Brazilian capital markets legislation;
 - f) Retain a legal representative in Brazil to receive the citations, judicial and/or extrajudicial notifications issued by the Judiciary, administrative authorities and Brazilian self-regulatory organizations, relative to the subjects corresponding to the respective agreement;
- Provide the Participant with any information it requires to meet demands from the Brazilian Central Bank, Securities and Exchange Commission, Federal Revenue Service and other public bodies and self-regulatory organizations, in accordance with the law and the limitations of the respective powers and within the timeframes indicated by these bodies.

2. Clause establishing that the agreement is subject to Brazilian law and that it is within the competence of the Brazilian Judiciary to have knowledge of all litigations arising from disputes involving the agreement, with the existence permitted of an arbitration commitment that stipulates arbitration shall occur in Brazil; and
3. Clause prescribing termination upon failure to meet the obligation of providing the nonresident investors' registration information when requested by the Participant, BM&FBOVESPA, or the Brazilian public body that has the powers of inspection.

Annex IV to Circular Letter 036/2012-DP

MINIMUM CONTENT OF THE AGREEMENT THAT ESTABLISHES THE GIVE-UP LINK

1. Brokerage Modality

1.1 Participant Identification.

1.2 Purpose: trade transfers between Participants whereby the carrying Participant (“Contracting Party”) passes Orders to the executing Participant (“Contracted Party”) for the performance and subsequent return of trades from Orders received from third parties, customers of the carrying Participant.

1.3 The Participants’ Responsibilities:

- a) Carrying Participant: registration of the customer’s Order, indicating that the Order is associated to giving up the corresponding trade; the clearing and settlement of the trade; and the custody and use of any Assets and values.
- b) Executing Participant: registration of the carrying Participant’s Order, indicating that the Order is associated to giving up the corresponding trade; execution of the order in the BM&FBOVESPA Trading Systems; registration and give-up of the executed trade, being responsible for observance of the rules established in the applicable legislation and regulations; and the registration and giving up of the executed trade.

1.4 Remuneration.

1.5 Timeframe.

2. Tripartite Give-up Modality

2.1 Identification of the Participants (and of the customer, as the case may be).

2.2 Purpose: transfer of a trade between Participants, in which the customer issues Orders to an executing Participant (“Contracting Party”) which is responsible for giving up trades to the customer’s designated carrying Participant (“Contracted Party”), which shall hold positions and through whose intermediation the corresponding settlements shall be executed.

2.3 Responsibilities

- (v) Carrying Participant: clearing and settlement of the trade and the custody and use of any Assets.
- (vi) Executing Participant: registration of the customer’s Order, indicating that the Order is destined towards giving up the corresponding trade; the execution of the Order in the BM&FBOVESPA Trading Systems; the registration and giving up of the executed trade.

2.4 Remuneration.

2.5 Timeframe.

3. Qualified Investor Modality

3.1 Identification of the Full Clearing Agent, of the Participant and of the Customer.

3.2 Purpose: transfer to the Clearing Agent of the trade that the Customer executes with the Participant.

3.3 Responsibilities

- a) Clearing Agent: the clearing and settlement of the trade and the custody and the use of any Assets.
- b) Participant: registration of the Customer’s Order and the allocation of the trade to the Qualified Investor.

3.4 Remuneration.

3.5 Timeframe.

Annex V to Circular Letter 036/2012-DP

MINIMUM CONTENT OF THE INTERMEDIATION AGREEMENT

1.	The contract is constituted by (as applicable), and the contract's parties commit themselves to (in accordance with their attributes), faithful compliance with the prevailing legislation and with BM&FBOVESPA's rules and procedures defined in the Company Bylaws, Rulebooks, Manuals and Circular Letters and in the Working Rules and Parameters, additionally observing the specific rules of the government authorities that might affect the terms contained therein.
2.	The customer must maintain its registration permanently updated before the Participant, providing the information and documentation required for such whenever requested.
3.	For reasons of prudence and entirely at its discretion, the Participant may refuse to receive or fully or partially to execute customer orders, also being within its remit to cancel those orders awaiting execution.
4.	The customer is obliged to maintain and provide for the account held with the Participant, observing the terms established for such in order to attend to and guarantee that all of its obligations are met.
5.	The customer recognizes and agrees that an insufficient amount in its account or the failure to pay for transactions executed by the end of the timeframe established by the Participant, on the required date, shall authorize the Participant, independently of any notification, to use the amounts in cash or credits that it manages and holds in the name of the customer, utilizing them for amortization or for the clearing of debits that have not been honored.
6.	Seeking to meet the obligations of the customer to which it is creditor or guarantor, the Participant may as it best sees fit use the customer's assets and rights in its possession

7.	In order to meet the customer's obligations the Participant shall immediately sell, at market price, the assets acquired in the name of the customer or deposited by it as collateral, including the positions and values that are the object of the obligations in the markets managed by BM&FBOVEVSPA.
8.	The customer recognizes and agrees that if it fails to settle debits resulting from transactions carried on the markets managed by BM&FBOVESPA, its name shall be included on the list of defaulters and it shall be barred from trading until it settles its debts, in accordance with the rules published by BM&FBOVESPA.
9.	The customer shall only be considered solvent upon confirmation of the receipt of resources (i) by the Participant; (ii) by the Participant's Clearing Member; and (iii) by BM&FBOVESPA. Without prejudice to that set out in clauses x, y and z (<i>items 5, 6 and 7 above</i>), the customer's collateral may be executed (i) by the Clearing Member, if it does not receive the values from the Participant for settling the transactions carried out by the customer; and (ii) by BM&FBOVESPA if it does not receive the values from the Clearing Member for settling the transactions carried out by the customer.
10.	Should the customer use a Connectivity Session to access the Electronic Trading System, the customer declares itself aware that the password to use the system is for its personal, exclusive and non-transferrable use and that the transactions executed through this system with the use of the password shall be considered to all intents and purposes as having been carried out by the customer. If there is suspicion of the irregular use of the customer's password, the Participant shall inform BM&FBOVESPA and BSM and, if it considers it necessary, shall block the use of this password until the cause of its irregular use has been identified and resolved.
11.	All dialogs held between the customer and the Participant and its agents (including self-employed agents) by telephone, email, instant

	<p>messaging and the like shall be recorded and held on file for a period of five (5) years, or more in the case of legal hearings, when determined by CVM, BM&FBOVESPA or BSM, and the files may be used as evidence in the clarification of questions related to its account and its transactions.</p>
<p>12.</p>	<p>In regard of the relationship between customer and agents, including the self-employed agents linked to the Participant:</p> <ul style="list-style-type: none"> (a) The customer may not deliver or receive any legal tender, ownership, or security, or other Asset to or from agents (including self-employed agents) linked to the Participant; (b) The customer may not carry out payments to representatives, including self-employed agents, linked to the Participant, for the rendering of any services; (c) The agent or self-employed agent may not be the attorney or representative of the Participant's customer, for any end; (d) The customer may not enter into an agreement with the agent (including the self-employed agent linked to the Participant) for securities portfolio administration, consulting, or securities analysis services, even if free of charge; and (e) The customer may not deliver passwords or electronic signatures to the Participant's agents, including the self-employed agents linked to it.
<p>13.</p>	<p>The standard Intermediation agreement for customers that trade with derivatives must additionally contain clauses establishing that:</p> <ul style="list-style-type: none"> (a) The value of open interest positions is updated daily, in accordance with the day's settlement prices established in accordance with BM&FBOVESPA rules. As a buyer on the futures market, the customer runs the risk that if there is a drop in prices it will negatively impact the updated value of its position. As a seller on the futures market the customer runs the risk that if there is an increase in prices it will negatively impact the updated value of its position. In both cases there shall be the requirement of payment of daily settlements in cash relative to the positions' variation, and, at the discretion of BM&FBOVESPA and/or the Participant, of operating margins;

	<p>(b) The Participant may at its discretion:</p> <ul style="list-style-type: none">(i) limit the quantity of open interest positions held in the name of a customer, as well as close them out when they go over the established limit;(ii) totally or partially close out the customer's positions;(iii) promote the execution of collateral existing in the customer's name; and(iv) execute the sale or purchase of contracts necessary for the settlement of outstanding positions in the name of the customer. <p>(c) At its discretion, the Participant may at any time:</p> <ul style="list-style-type: none">(i) increase margin requirements, including for positions already held in the name of the customer;(ii) require the customer to bring forward daily settlements;(iii) require additional collateral as it judges necessary; and(iv) determine the substitution of deposited collateral, including for positions that have already been registered and covered. <p>(d) The customer must deposit additional collateral and/or substitute that deposited, as required by the Participant and within the timeframes, terms and conditions that it has established;</p> <p>(e) The maintenance of combined or opposite positions with the same Participant, in both the options and futures markets, under certain circumstances, does not eliminate the market risk from carrying them;</p> <p>(f) As owner on the options market, the customer runs the following risks:</p> <ul style="list-style-type: none">(i) as the owner of a call option: loss to the value of the premium paid, or part of it, should the market price of the Asset underlying the option surpass its strike price in the duration of the contract;(ii) as the owner of a put option: loss to the value of the premium paid, or part of it, should the market price of the Asset underlying the option surpass its strike price in the duration of the contract. <p>(g) As seller on the options market, the customer runs the risk of:</p> <ul style="list-style-type: none">(i) with the call option: suffering losses directly related to
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	<p>the increased price of the Asset underlying the option on the spot market; and</p> <p>(ii) with the put option: suffer losses in the case of a falling price of the Asset underlying the option on the spot market;</p> <p>(h) Open interest positions in the futures and options markets may be settled by a reversing trade, whereby there is the execution of an offset (buy or sell), as a way of profit taking, limiting losses or avoiding exercise. The market's liquidity conditions may, however, be an encumbrance to or prevent execution of the reversing trade within the intended timeframe or, furthermore, when it is linked to a limit order, at a determined price;</p> <p>(i) In the case of unforeseen situations with the derivatives contracts traded by the customer, or government measures or any other extraordinary factors that have an impact on the formation, calculation or publication of its variable, or its discontinuation, BM&FBOVESPA shall take the measures that it judges necessary, at its discretion, seeking the settlement of the customer's position or its maintenance at equivalent bases.</p>
<p>14.</p>	<p>The intermediation agreement must highlight the clauses that restrict the investor's rights and which warn of the market risks, such as, for example, those that deal with compulsory settlement and the risk of loss of equity, among others.</p>

Annex VI to Circular Letter 036/2012-DP

**DATA REQUIRED FOR THE REGISTRATION OF PARTICIPANT'S
BEFORE BM&FBOVESPA**

1. From an individual investor:

- a)** full name;
- b)** sex;
- c)** date of birth;
- d)** place of birth;
- e)** nationality;
- f)** civil status;
- g)** parents;
- h)** name of spouse or partner;
- i)** nature and number of ID, name of the issuing body and the date of issue;
- j)** Individual Taxpayer Number (CPF/MF);
- k)** full address (name of street or equivalent, number, neighborhood, city, federal unit and ZIP code) and telephone number;
- l)** email address;
- m)** profession;
- n)** employer, if applicable;
- o)** information about income and equity;
- p)** qualification of attorneys, if applicable.

2. From a company:

- a)** corporate name;
- b)** qualification of attorneys.
- c)** CNPJ corporate taxpayer number;
- d)** full address (name of street or equivalent, number, neighborhood, city, federal unit and ZIP code):
- e)** telephone number;
- f)** email address;
- g)** main professional area;
- h)** net equity, net working capital and shareholders equity;
- i)** qualification of the representatives or attorneys.

3. In other cases:

- a)** full identification of the customers;
- b)** full identification of their representatives and/or administrators;
- c)** financial and equity situation.