

## Company Profile

**Name of Stock Exchange:** BM&FBOVESPA

**Country/Region:** Brazil – South America

**Name of CEO –** Mr. Edemir Pinto

**Market Capitalization:** US\$ 5,061,808,543.33 (as of Dec´15)

**Number of Officers and Employees**

**Officers:** 5

**Employees:** 1,323 (as of Dec´15)

**Ownership and Governance**

**(Main Shareholders)**

Shareholders holding more than 5% of the total shares of the company are:

- Funds managed by OppenheimerFunds, Inc. (7.37%)
- Funds managed by Vontobel Asset Management Inc. (7.16%)
- Capital World Investors (6.23%)
- Funds managed by BlackRock Inc. (5.09%)
- Capital Group International (5.03%)

**Brief History**

BM&FBOVESPA S.A. — Securities, Commodities & Futures Exchange is one of the largest exchanges in the world by market capitalization and the leader in Latin America.

As the main institution for the intermediation of transactions in the Brazilian capital markets, the company develops, implements and provides systems for the trading of equities and equity derivatives, financial derivatives, corporate and government bonds, agricultural commodities and spot foreign exchange.

Through its platforms it performs registration, clearing and settlement of the securities traded in its environments, as well as listing stocks and other assets. It also acts as the central depository for the assets traded in its markets and licenses software and indices.

BM&FBOVESPA also performs risk control and management on a beneficial owner basis and has a robust Clearinghouse structure that assures the efficient and secure functioning of its markets.

BM&FBOVESPA is the only securities, commodities and futures exchange in operation in Brazil. It actively promotes the capital markets through innovation and product development and education programs for the population. It also manages social investments focusing on the development of communities that relate to its universe.

Created in 2008 with the integration between BM&F and BOVESPA, BM&FBOVESPA is a listed company and trades under the ticker symbol BVVF3 on the Novo Mercado special listing segment for companies committed to best practice in corporate governance. It is also part of the Ibovespa, IBRX-50, IBRX and ITAG indices, among others.

With headquarters in the city of São Paulo, BM&FBOVESPA has representative offices in New York, London and Shanghai to support participants in activities with local customers and relations with regulators, and to disseminate its products and governance practices to potential investors.

**Practices and Procedures**

**Trading**

Days: Monday to Friday, except holidays\*

\*Jan 1; Jan 25; Feb 8; Feb 9; Mar 25; Apr 21; May 26; Sep 7; Oct 12; Nov 2; Nov 15; Dec 30

**Hours** (GMT -3h00)

**Equities:**

9h45 - 10h00 - pre-opening fixing

10h00 - 17h55 - continuous trading session

17h55 - 18h00 - closing call

17h55 – 18h15 – Equities derivatives closing call

**Derivatives:** : from 09h00 to 18h00

**Fixed Income / Corporate Bonds** : from 10h00 to 17h00

**Spot US Dollar:** from 9h00 to 16h15

**OTC:** from 9h00 to 19h00

**Market segmentation:**

**Equities:** Cash, Forward, Options, Single-Stock Futures Market, ETF and BDR

**Derivatives:** Future, Options, Forward, Swaps, NDFs, Agricultural Products and OTC

**Fixed Income / Corporate Bonds:** Government Bonds, Corporate Bonds and Asset-Backed Securities

**System:**

PUMA Trading System

**Mechanisms:**

Continuous Trading – FIFO method.

Fixing – Theoretical Opening Price.

**Market-Maker /Specialists**

Equities: Yes

Derivatives: Yes

Fixed Income / Corporate Bonds: Under development

**Instruments**

Equities: Stocks , Brazilian Depository Receipts(BDRs), ETFs

Derivatives:

- Exchange Listed Financial Derivatives: Futures and Options (Stock index, Interest rate, Exchange rate, Interest rate X price index, Price index, Sovereign debt Bond and Structured products)

- Exchange Listed Commodity Derivatives: Futures and options (Coffee, Sugar, Ethanol, Cotton, Corn, Soybean, Cattle);

- OTC Derivatives: Swaps, Flexible options, Metals.

- Fixed Income / Corporate Bonds: Government bonds, Debentures, Commercial papers, Assetbacked

securities and Mortgage-backed securities.

### Currency

Equities: local

Derivatives: local and referred in foreign currency

Fixed income / Corporate bonds: local

Real time information: Yes

### **Clearing & Settlement**

#### Central Depository

Equities and Corporate bonds: Yes

#### Period

Equities

- Cash – T+ 3

- Forward - 16 to 999 calendar days

- Futures - T+3 of the expiry date

- Options\* and futures\*\* T+1

\* Settlement of option premium.

\*\* Daily settlement of accounts (variation margin)

Derivatives

- most part of the contracts – T + 1

Fixed income instruments

- Cash – T+0

#### Registered

According to the Brazilian legislation, all OTC transactions must be registered in a centralized system

Registration systems:

- Derivatives: BM&FBOVESPA and CETIP

- Corporate bonds: BM&FBOVESPA and CETIP

- Government Bonds: SELIC (Central Bank's Special System of Settlement and Custody)

#### Settlement

BM&FBOVESPA maintains four different clearinghouses:

- Equities, Equities Derivatives and Corporate Bonds

- Financial and Agricultural Derivatives (Listed and OTC)

- Spot FX

-Government Bonds

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### Clearing Institution

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### Risk Sharing

Equities, Derivatives and Fixed income / Corporate bonds: Yes

### Margin/Lending

Equities, Derivatives and Fixed income / Corporate bonds: Yes

### Custodians

Yes

## **Taxes**

### Cash Dividends

Exempt for resident and non-resident

### Interest Income

Non resident: 15% / Resident: 25%

### Capital Gains

Non resident: exempt / Resident: 15%

## **Structure & Regulations**

### Legal

Public company with capital and shareholders

### Regulation

BSM (BM&FBOVESPA Market Supervision)

### Securities market regulations

CVM (Brazilian Securities and Exchange Commission)

### Trading rules

Exchange – Operational Regulations and Instruction 168 (CVM)

## Surveillance

BSM (BM&FBOVESPA Market Supervision)

## Corporate actions

Equities: Centralized

## Trading halts regulations

Yes

## Investor protection

Yes

## **Foreign Participation**

### Foreign investors

Equities: 51.1% of the traded value (Dez'15)

Derivatives: 40.5% (Dez'15)

### Investment limitations

Contracts not authorized for trading by investors resident in the U.S.

Brazil Index-50 Futures Contract

Contracts not authorized for trading by investors resident in the U.S. through Globex-BVMF order routing system or DMA models 3 (direct link) and 4 (co-location)

Euro Futures Contract

Australian Dollar Futures Contract

Canadian Dollar Futures Contract

Pound Sterling Futures Contract

Japanese Yen Future Contract

Mexican Peso Futures Contract

Swiss Franc Futures Contract

Chilean Peso Futures Contract

Chinese Yuan Futures Contract

New Zealand Dollar Futures Contract

Turkish Lira Futures Contract

South African Rand Futures Contract

### Repatriation

No restrictions

## **Minimum Listing Requirements**

Markets includes four special listing segments:

*Bovespa Mais*;

- Level 1;
- Level 2;
- Novo Mercado*.

Each of these segments adopts particular requirements, beyond those of Brazilian legislation, to which issuers may adhere by signing specific listing agreements. The exchange listing segments adopt progressively more stringent requirements, from the Level 1 listing segment, which contemplates disclosure requirements only, to Level 2 and *Novo Mercado*, which demand adherence to more stringent corporate governance, shareholders' rights and financial reporting requirements.

### **Contact Information**

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