



Rio de Janeiro, February 22, 2017

## ANNOUNCEMENT

### **Ref.: New Self-Regulation Model – Declaration of Adherence to Principles**

**ATS Brasil S.A. (“ATS”)** and **Americas Clearing System (“ACS”)**, as entrants into the Brazilian stock exchange market, in the trading, clearing and settlement segments, hereby declare that they are both in agreement with the principles expressed by the Competition between Exchanges Working Group (GT) of the Brazilian Securities Commission (CVM), in its *“Report of the Competition GT on self-regulation of market management entities”*, of July 18, 2016.

As stated at Public Hearing SDM 5/13, ATS and ACS believe that the single self-regulator model is the most appropriate way of ensuring that market agents are properly represented, so as to minimize major risks of conflicts of interest and to enable the regulators to issue regulations, carry out inspections and impose sanctions in a more technical, speedy and effective way, while remaining sensitive to the special nature of the market.

ATS and ACS consider that a transition to a single self-regulator model is essential to meet the new demands of an imminent and desirable scenario of competition in the Brazilian exchange market, forestalling the risk of regulatory arbitrage and, above all, dismantling the technical and financial barriers to the entry of competitors into this market.

Accordingly, ATS and ACS consider the Commission’s initiative a very salutary one, to the extent that it recommends the immediate amendment of CVM Instruction No. 461/07, so as to adapt it to the principles which guide this new unified model, which also covers post-trading activities.

In view of the above, ATS and ACS are entirely at the disposal of the Commission to make a contribution to the discussion about implementing the new self-regulation model. In particular, the undersigned welcome the opportunity, as part of this process, to address sensitive issues such as (a) the widening of the normative responsibilities of the self-regulation entity, (b) the incentives that can be introduced to broaden the representative nature of the self-regulatory entity and for the adoption of new practices and procedures (especially in the event that the current structure of BM&FBovespa Market Supervision (BSM) is used for the new model), and (c) the use of current sources of funding for self-regulation activities, and the weighting of the share-out of the entity’s remaining operating costs.



ATS and ACS would like to publicly acknowledge the importance of this initiative by the CVM, with the agency's participation in the discussion of introducing necessary and timely competition into Brazil's organized securities markets.

The undersigned believe that the CVM's actions, jointly with those of the other competent authorities, will be essential to overcome the current challenges, so as to guarantee the necessary conditions for other entrants to operate in the sector, observing the principles and legal and regulatory provisions now in force, and to the benefit of the development of the Brazilian capital market.

Sincerely,

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**ATS Brasil S.A.**

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**Americas Clearing System S.A.**