

**CHAPTER FOUR
RECORDING AND CLEARING TRANSACTIONS**

**PART ONE
TRANSACTION RECORD**

400.00.

The process of recording Transactions in the clearing and settlement system takes place automatically when said system confirms reception of the transactions recorded and sent from the Exchange's trading system.

Should the clearing and settlement system reject any transaction, it will automatically issue a notice of that rejection through the Exchange's automatic trading system, so that its personnel may verify the reasons for said rejection, undertake a correction and, and, if necessary, resend it.

The reasons for a rejection are as follows:

- I. When the Transaction refers to a non-existent Class or Series.
- II. When the Transaction refers to a non-existent Account or Sub-Account.
- III. When the identification code of the parties completing a transaction is not properly registered in the Exchange's trading system.
- IV. When the Transaction pertains to a Trader or a Clearing Member that has been suspended or expelled.

In the event that the Exchange suspends trading in a Class or Series owing to an extraordinary situation, it will assume responsibility for detecting and impeding the transmission of Transactions to the Clearinghouse, which is thereby freed of any responsibility for the Transactions recorded in the clearing and settlement system when such Transactions have been suspended.

**PART TWO
CONFIRMATION OF TRANSACTIONS**

401.00.

Transactions conducted in the Exchange are received by the Clearinghouse once the Transaction is input in the trading system and confirmed by the parties to the Transaction either manually or automatically.

Transactions that are automatically confirmed due to the omission of the confirmation that should be supplied by the parties to the Transaction as it is performed through the trading system, shall be sent to the Clearing and Settlement System as Opening Trades in Client Accounts or Trader Client Accounts.

402.00.

Confirmation of Transactions in the Exchange's trading system referred to in point 401.00. consists of:

- I. Indicating whether the Transaction is performed by a Proprietary Position Clearing Member, a Third-Party Position Clearing, and/or a Trader that performs Transactions for proprietary or Client accounts; and whether the Transaction is a proprietary transaction, for the Group Account, for the Client Account, or for the Trader Client Account.
- II. ...
- III. If the Transaction is for the Global Account, it must be confirmed as an Opening Trade in the Trader's Client Account, if it was a Trader that executed it, or in the Client Account, if a Clearing Member performed it

403.00.

In the event of errors committed when executing a Transaction through the Exchange's trading system, Clearing Members and Traders shall:

- I. On the same day in which the error occurred:
 - a. Close the position, or
 - b. Transfer or modify, depending on the case at hand, the position to the Conciliation Account or to the Sub-Conciliation Account.
- II. On the first Business Day following the error:
 - a. Close the position, or
 - b. Transfer it to the Proprietary Account or the Trader's Account, as the case may be.

**PART THREE
CLEARING TRANSACTIONS**

404.00.

The clearing process begins at the exact moment the Transaction takes place in the Exchange and is performed automatically through the clearing and settlement system, under the terms stipulated in the Regulations.

When a Transaction is registered in the clearing and settlement system, the position of the Accounts and sub-accounts in which the Transaction occurred will be automatically updated.

405.00.

The following information is needed to update Account and sub-account positions:

- I. Identification code of the buying Clearing Member or Trader, and of the selling Clearing Member or Trader.
- II. Type of Account and/or Sub-Account of the buying Clearing Member or Trader, and of the selling Clearing Member or Trader.
- III. Type of Transaction for each party (Opening or Closing Trade).
- IV. The Class and Series of the Contract.

V. Volume traded.

VI. Previous Position.

406.00.

In Proprietary Accounts, Proprietary Account Sub-Accounts, Trader Accounts, Trader Account Sub-Accounts, Conciliation Accounts, Trader Account sub-accounts, Conciliation Sub-Accounts, Market Maker Accounts, Client sub-accounts, Trader Client sub-accounts, and Group sub-accounts, Spread Positions will be automatically generated, beginning with the Contract Series bearing the closest Expiration Date.

407.00.

In the Client Accounts, Trader Client Accounts, and in the Group Accounts, the opposite positions indicated by the Clearing Member or Trader shall be created, as specified in the Regulations.

408.00.

The Clearinghouse may authorize a Clearing Member to open Sub-Accounts in its own Proprietary Account and in the Trader's Proprietary Trader for registering and separating the positions of the brokerage firm and/or the bank, whenever these two entities belong to the same financial group and are Proprietary Position Clearing Member trustors and/or trustees or to any of the institutions that are shareholders of the Trader.

**PART FOUR
RECORD ACCOUNTS AND SUB-ACCOUNTS**

409.00.

In accordance with the Regulations, Clearing Members may request that the Clearinghouse open Sub-Accounts in their own Proprietary Accounts, in the Trader Account, in the Client Account, in the Trader Client Account, in the Group Account, and in the Market Maker Account, for registering the Transactions performed.

Each Sub-Account shall be used to identify the Transactions performed for the purpose of trading, hedging or other purposes, as requested by the Clearing Member.

410.00.

When opening Sub-Accounts in the Proprietary Account, in the Trader Account, in the Client Account, in the Trader Client Account and in the Group Account, the Clearinghouse may simultaneously register Long Positions and Short Positions for the same Series between these sub-accounts. Positions shall be updated according to the specific indication by the Clearing Members and/or Traders as to whether the Transaction is an Opening Trade or Closing Trade.

411.00.

In order to open a Sub-Account the Clearing Member must provide the Chief Executive Officer in writing, between 8:30 A.M: and 5:30 P.M., an application containing the structure of the Account and its respective Sub-Accounts, as well as an explanation of the reasons for wanting to open such accounts.

After confirming in writing that the application has been received, the Chief Executive Officer shall issue his or her ruling with the 1 (one) Business Day.

412.00.

The Clearinghouse may accept or reject the application referred to in point 411.00. above by issuing a written resolution. Should the Clearinghouse reject the application filed by the Clearing Member, the resolution shall briefly explain the reasons for the rejection.

The Clearing Member shall be notified of the resolution in the manner stipulated in the Regulations.

413.00.

In the event that the Clearinghouse accepts the structure of the Sub-Accounts presented by the Clearing Member, the Sub-Accounts will be activated no later than the Business Day following notification of acceptance.