One-Day Interbank Deposit Futures Contract
– Specifications –

1. **Definitions**

Unit price (PU):	The value, in points, corresponding to 100,000, discounted by the interest rate defined in item 2.
ID rate:	The Average One-day Interbank Deposit Rate (ID), calculated by CETIP – Custody and Settlement and and expressed as a percentage rate per annum compounded daily based on a 252-day year.
Settlement price (PA):	The closing price, for the purpose of updating the value of open positions and calculating the variation margin and the settlement value of day trades, daily calculated and/or arbitrated by BM&F, at its own discretion, for each authorized contract month, and expressed in PU.
Reserve:	A business day for the purpose of the operations performed on the financial market, pursuant to the provisions established by the National Monetary Council.
Business day:	The day that is a trading day at BM&F.

2. **Underlying asset**
   The interest rate compounded until the contract's expiration date, for this purpose defined as the capitalized daily ID rates verified on the period between the trade date and the last trading day.

3. **Price quotation**
   Price quotations shall be expressed as a percentage rate per annum compounded daily based on a 252-day year, to three decimal places.

4. **Minimum price fluctuation**
   0.001 of an interest rate point.

5. **Maximum daily price fluctuation**
   As established by BM&F.
   The price fluctuation limit for the first month shall be suspended on the last three days of trading.
   The Exchange may alter the price fluctuation limit applicable to any contract month at any time, even during a trading session, by communicating this to the market with a 30 minute-advance notice.

6. **Contract size**
   Unit price (PU) times the Brazilian Real (R$) value of each point, as established by BM&F.

7. **Contract months**
   The first four months subsequent to the month in which a trade has been made and, after that, the months that initiate a quarter.

8. **Number of authorized contract months**
   As authorized by BM&F.

9. **Expiration date**
   The first business day of the contract month.

10. **Last trading day**
    The business day preceding the expiration date.

11. **Day trading**
    Buying and selling on the same trading session the same number of contracts for the same month shall be offset provided these transactions are executed on behalf of the same customer through the same Brokerage House and registered by the same Clearing member, or performed by the same Local and registered by the same Clearing Member. These transactions shall be cash settled on the following business day, and their amounts shall be calculated in accordance with item 12(b.1).

12. **Daily settlement of accounts (variation margin)**
    For the purpose of calculating the variation margin value, the following criteria shall apply:
    (a) Reversal of positions
    Long and short positions originally traded in rate shall be transformed into short and long positions, respectively, in PU.
    (b) Variation margin calculation
    After being transformed into long and short positions in PU, the positions outstanding at the end of each session shall be settled according to the day's settlement price, as determined by BM&F rules and regulations, and cash settled (payment of debits and receipt of credits) on the following business day (T+1).

Variation margin shall be calculated up to the expiration date in accordance with the following formulas:

(a.1) For the positions initiated on the day

$$AD_t = (PA_t - PO) \times M \times N$$

(b.1) For the positions outstanding on the previous day

$$AD_t = [PA_t - (PA_{t-1} \times FC_t)] \times M \times N$$

Where:

AD_t = the daily settlement value, in Reals, corresponding to day "t;"
PA_t = the contract settlement price on day "t," for the respective contract month;
PO = the trading price in PU, calculated as follows, after a transaction is carried out:

$$PO = \frac{100,000}{\left(1 + \frac{i}{100}\right)^{n/252}}$$

Where:

i = the traded interest rate;
n = the number of reserves verified between the trade date and the day preceding the expiration date;

M = the Real value of each unit price point, as established by BM&F;
N = the number of contracts;
PA_{t-1} = the settlement price on day "t–1," for the corresponding contract month;
FC_t = the indexation factor on day "t," defined by the following formulas:

(i) When there is one reserve between the last trading session and the the day of the settlement of accounts:

$$FC_t = \left(1 + \frac{DI_{t-1}}{100}\right)^{1/252}$$

(ii) When there is more than one reserve between the last trading session and the day of the settlement of accounts:

$$FC_t = \prod_{j=1}^{n} \left(1 + \frac{DI_j}{100}\right)^{1/252}$$

Where:

DI_{t-1} = the ID rate, corresponding to the business day preceding the day to which the settlement of accounts refers, to six decimal places. Should there be more than one ID rate disclosed for the interval between two consecutive sessions, said rate shall represent the accumulation of all the rates disclosed.

On the expiration date, the settlement price shall be 100,000.

Should, on a certain day, the CETIP ID rate refer to a period (number of days) distinct from that to be considered in the indexation of the day's settlement price, BM&F, at its own discretion, may arbitrate a rate for that specific day.

The daily settlement value (AD_t), if positive, shall be credited to the PU buyer (the original rate seller) and debited to the PU seller (the original rate buyer); if negative, it shall be debited to the PU buyer and credited to the PU seller.

13. Settlement conditions on expiration

On the expiration date, the positions outstanding after the last settlement price shall be cash settled by BM&F by means of the registration of an offsetting transaction (long or short) on the same number of contracts, the price of which (unit price) shall be 100,000 points.

Cash settlement shall be made on the business day following the expiration date.

- **Special provisions**

  Should CETIP delay disclosure or not disclose the ID rate defined in item 1 for one or more days, BM&F may, at its own discretion:

  (a) Postpone the contract settlement, up until an official disclosure by CETIP; or

(b) Cash settle open positions by the last available settlement price.

In either case, BM&F may also, at its own discretion, arbitrate a price to settle this contract should it not consider both the rate disclosed by CETIP and the last available settlement price to be representative.

14. Margin requirements

Collateral shall be required from all customers holding open positions. Margin values shall be updated daily by the Exchange, in accordance with the margin calculation criteria for futures contracts.

15. Assets eligible to meet margin requirements

Those assets and securities accepted by the BM&F Derivatives Clearinghouse.

16. Trading costs

- **Fees**

  Consist of the Exchange, Registration and Permanence Fees, which are calculated as per BM&F methodology.

Trading costs shall be due on the first business day following the trade date, except for the Permanence Fee, which shall be due on the day defined by BM&F.

17. Hedgers

For the purposes of this contract, hedgers are financial institutions and institutional investors.

18. Further regulations

This contract shall be subject, where applicable, to the legislation in force and to BM&F rules, regulations, and procedures, as defined in its Bylaws, Operating Rules, and Circular Letters, as well as to specific rules and regulations set forth by the Brazilian governmental authorities that may affect the terms herein stated.

Changes in the number of reserves for a series which is being traded, as set forth in Resolution 2516, of June 29, 1998, are the exclusive responsibility of the original contracting parties, that is, they are not BM&F's responsibility.

Should there be situations not covered by this contract, governmental measures or any other fact that affect the formation, calculation or disclosure of its variables, or even imply their discontinuity, BM&F may, at its own discretion, take the measures it deems necessary for the contract's cash settlement or continuity on an equivalent basis.