

## **EFP and EFS Transactions Detailed Rules**

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### **Article 1 (Purpose)**

1. These Detailed Rules shall, based on the provisions of Article 3.5 of the Market Rules, prescribe matters necessary for the handling of EFP and EFS transactions.

### **Article 2 (Commodities Eligible as Underlying Spot Transactions)**

1. Commodities that are eligible as underlying spot transactions for EFP transactions shall be as follows:
  - (1) Energy Market
    - a. Crude oil: crude oil and oil products;
    - b. Gasoline: crude oil, gasoline, and naphtha;
    - c. Kerosene: crude oil, kerosene, and jet fuel;
    - d. Gas oil: crude oil, Gas oil, and Heavy fuel oil A;
    - e. Electricity: electricity;
    - f. LNG: LNG, natural gas, and products made out from natural gas.
  - (2) Chukyo-oil Market
    - a. Gasoline: crude oil, gasoline, and naphtha; and
    - b. Kerosene: crude oil, kerosene, and jet fuel.
2. Commodities that are eligible as underlying spot transactions for EFS transactions shall be those listed in Item 1 and Item 2 of the preceding paragraph.

### **Article 3 (Eligible Applicants)**

1. Eligibility to make an application for EFP transactions shall be limited to Commercials.
2. Eligibility to make an application for EFS transactions shall be limited to Commercials or those who have concluded a contract for a swap transaction (meaning a transaction incidental to a buying and selling contract for spot transactions in which a floating price is exchanged for a fixed price; the same shall apply hereinafter) and satisfy any of the requirements listed in Article 104.1.2 through 1.5 of the Market Rules.

### **Article 4 (Preliminary Application)**

1. The applicant prescribed in the preceding article shall submit an application form separately defined by the Exchange beforehand to carry out an EFP or EFS transactions.

### **Article 5 (Relationship between the Number of Lots Pertaining to the Application and the Quantity of a Spot Transaction)**

1. The number of lots pertaining to the application shall be the number agreed between the applicants within the number of lots obtained by converting the quantity of the physical commodity specified in the contract to the transaction unit prescribed in Article 18 of the Market Rules.
2. For the purpose of applying the conversion of the preceding paragraph, a fractional quantity exceeding 50% of the minimum transaction unit may be included in the application by deeming such fractional quantity as the minimum transaction unit.

### **Article 5-2 (Registration Price)**

1. The registration price shall be a price within a range provided in each items below (in case the lower limit of a range is below the minimum price quotation unit, the lower limit shall be the minimum price quotation unit) and agreed between the parties involved in the transaction.
  - (1) Energy Market (exclude the product provided in next two items) and Chukyo-oil Market  
 $X \pm (Y \times 60\%)$

(2) Electricity in the Energy Market

$X \pm (Y \times 2,000\%)$

(3) LNG in the Energy Market

$X \pm (Y \times 90\%)$

X: the final Execution Price of Individual Auction of said Clearing Period; provided, however, if there is no execution price during the Clearing Period, the Settlement Price of the immediately preceding Clearing Period (or the price determined by the Exchange considering market condition and the prices of immediately preceding contract months during the said Clearing Period in the case of a new contract month)

Y: the Settlement Price of the immediately preceding Clearing Period (or the price determined by the Exchange considering market condition and the prices of immediately preceding contract months during the said Clearing Period in the case of a new contract month)

2. In addition to the preceding paragraphs, the registration price shall be a price deemed appropriate and reasonable by the Exchange in consideration of the market situation.

**Article 6 (Application Hours)**

1. The application for EFP and EFS transactions will be accepted from 4:15 pm to 6:00 am on the following day (or to 7:30pm on that day in the case of Electricity in Energy Market) and from 8:20 am to 4:00 pm.
2. The provisions of the preceding paragraph shall apply *mutatis mutandis* to the application hours for EFP and EFS transactions of the holiday trading (meaning holiday trading prescribed in Article 8.2.2)

**Article 6-2 (Contract Months, etc. Eligible for Registration)**

1. The contract months eligible for EFP and EFS transactions are provided in Article 17.1 and 17.2 of the Market Rules; provided, however, the current contract month shall be excluded from or after the night session on five (5) business days prior to the last trading day if such transaction is to open a new position, and from or after the night session on two (2) business days prior to the last trading day if such transaction is to close the existing position.

**Article 7 (Price Increments)**

1. The price increments prescribed in the EFP and EFS Transaction Detailed Rules prescribed in Article 18.3 of Market Rules shall be as follows:

(1) Physically Delivered Futures Transactions

Market	Listed Commodities Component Products	Price Increment
Energy	Gasoline	¥0.1
	Kerosene	¥0.1
	Gas Oil	¥0.1
Chukyo -oil	Gasoline	¥0.1
	Kerosene	¥0.1

(2) Cash-settled Futures Transactions

a. Products prescribed in Article 18.2.1 of the Market Rules

Market	Listed Commodities Component Products	Price Increment
Energy	Crude Oil	¥0.1

b. Products prescribed in Article 18.2.2 to 18.2.5 of the Market Rules

Market	Listed Commodities Component Products	Price Increment
Energy	Electricity	¥0.01

c. Products prescribed in Article 18.2.6 of the Market Rules

Market	Listed Commodities Component Products	Price Increment
Energy	LNG	¥0.01

**Article 7-2 (Contents of Application)**

1. A Member who intends to do EFP or EFS transaction shall clearly state in the application the listed commodity component product, contract month, quantity, price, customer type (proprietary or customer) and other matters specified by the Exchange.

**Article 7-3 (Correction of Customer Type)**

1. Members may make corrections of the customer type with respect to whole or part of trades executed pursuant to the provisions of Article 38 of Market Rules.
2. Correction of Customer Type referred to in preceding paragraph shall in principle be notice to the Exchange by 1:00pm of the next Clearing Period of the Clearing Period that such Transaction has executed. However, in the event that falls into a condition under which it is difficult for Members to make such notice, and if deemed appropriate by the Exchange, Members may notice such correction by date and the time specified by the Exchange.
3. Notwithstanding the provisions of the preceding paragraph, Members may notice correction of Customer Type for the transaction in the Last Trading Day of current contract month by the time specified by the Exchange within the Clearing Period of the Last Trading Day.

**Article 7-4 (Transactions for Error Correction, etc.)**

1. In the event that a Broker Member failed to execute a customer's order for EFP or EFS transaction due to errors, etc. that occurred by unavoidable reasons, such Broker Member may, in accordance with the provisions of the Exchange, execute EFP or EFS transaction for such customer with a prior approval of the Exchange by arranging a sell or buy order of proprietary account as a counterparty at a price deemed reasonable by the Exchange.
2. The execution in the preceding paragraph shall be made on the day that the sell or buy order of said customer should have been executed in accordance with the purport of the entrustment.

**Article 8 (Recording on the Statutory Book)**

1. Members (meaning Members prescribed in Article 6.1 of Market Rules; the same shall apply hereinafter) who carried out an EFP or EFS transaction shall record the transaction on the statutory book in a manner that clearly indicates that the transaction was carried out by way of an EFP transaction or EFS transaction.

**Article 9 (Preservation of the Records)**

1. Members who carried out an EFP or EFS transaction shall preserve the record of an EFP or EFS transactions in a manner similar to that applicable to the statutory book prescribed in the preceding article.

**Article 10 (Requesting Submission of Books and Other Documents)**

1. The Exchange may, when deemed necessary, require Members to submit documents and other materials pertaining to said EFP or EFS transaction (including documents pertaining to the spot transaction and the swap transaction entered into in conjunction with the sale/purchase contract for the spot transaction).

**Article 11 (Rules specified by the Exchange for EFP and EFS transactions)**

1. Notwithstanding the provisions of the preceding Articles, Members who make applications for EFP or EFS transactions by referring to the information obtained using the system designated by the Exchange shall follow the rules separately specified by the Exchange, and may continue using such information unless they breach the rules.

**Article 12 (Revision or Abolition)**

2. Revision or abolition to these Detailed Rules shall be approved by the Representative Director, President.

**Supplementary Provisions**

These Detailed Rules shall be in effect as of December 1, 2008.

**Supplementary Provisions**

Revisions to Article 1 (Purpose), Article 2 (Application Hours), Article 5 (Application Documents), Article 6 (Relationship between the Number of Lots Pertaining to the Application and the Quantity of a Spot Transaction), and Article 8 (Preservation of Documents Proving the Transaction) shall be in effect as of May 7, 2009.

**Supplementary Provisions**

Revisions to Article 4.1 (Eligible Applicants) and Article 7 (Recording on the Statutory Book) shall be in effect as of October 8, 2009 when the revisions of Market Rules Article 87 (Category of Membership) take effect.

**Supplementary Provisions**

Revisions to Article 3 (Commodities Underlying Eligible Spot Transactions) shall be in effect as of May 6, 2010.

**Supplementary Provisions**

Revisions to Article 3 (Commodities Underlying Eligible Spot Transactions) shall be in effect as of October 12, 2010.

**Supplementary Provisions**

Revisions to Article 4 (Eligible Applicants) and Article 7 (Recording on the statutory book) shall be in effect as of August 1, 2011.

**Supplementary Provisions**

Revisions to Article 4 (Eligible Applicants) shall be in effect as of October 18, 2011.

**Supplementary Provisions**

Revisions to Article 7 (Recording on the Statutory Book) shall be in effect as of May 15, 2012.

**Supplementary Provisions**

Revisions to Article 3 (Commodities Underlying Eligible Spot Transactions) shall be in effect as of February 12, 2013.

**Supplementary Provisions**

Revisions to Article 2 (Application Hours), Article 5 (Application Documents), Article 6 (Relationship between the Number of Lots Pertaining to the Application and the Quantity of a Spot Transaction), and Article 8 (Preservation of Documents Proving the Transaction) shall be in effect as of December 26, 2013.

**Supplementary Provisions**

Revisions to Article 4 (Eligible Applicants) shall be in effect as of March 31, 2014.

**Supplementary Provisions**

Revisions to Article 2 (Application Hours) shall be in effect as of July 22, 2014.

**Supplementary Provisions**

Revisions to Article 4 (Eligible Applicants) shall be in effect as of April 1, 2015.

**Supplementary Provisions**

Revisions to Article 3 (Commodities Underlying Eligible Spot Transactions) shall be in effect as of April 20, 2015.

**Supplementary Provisions**

**Article 1**

Newly established Article 6 (Application Hours) and Article 7 (Price Increments), the revisions to Article 3 (Commodities Underlying Eligible Spot Transactions), Article 4 (Eligible Applicants), Article 5 (Application Documents), Article 6 (Relationship between the Number of Lots Pertaining to the Application and the Quantity of a Spot Transaction), Article 7 (Recording on the Statutory Book), Article 8 (Preservation of Records), Article 9 (Demand for Inspection and Submission of Books and Other Documents) and Article 10 (Revision or Abolition), and the deletion of Article 2 (Application Hours) shall be in effect as of September 20, 2016.

**Article 2**

Notwithstanding the provisions of Article 1, in the event that there is operational trouble of the electronic trading system or other unavoidable reasons that it is deemed necessary by the Exchange, the effective date of preceding Article will be separately provided by the Exchange.

**Supplementary Provisions**

Revisions to the provisions of Article 3 (Eligible Applicants), Article 7 (Price Increments), Article 8 (Recording on the Statutory Book), Article 9 (Preservation of Documents) and Article 10 (Inspection and Requesting Submission of Books and Other Documents) shall take effect on October 31, 2016.

**Supplementary Provisions**

Revisions to the provisions of Article 3 (Eligible Applicants) and Article 7 (Price Increments) shall take effect on March 21, 2017.

**Supplementary Provisions**

Revisions to the provisions of Article 2 (Commodities Underlying Eligible spot Transactions) and Article 7 (Price Increments) shall take effect on May 8, 2017.

**Supplementary Provisions**

Revisions to the provisions of Article 2 (Commodities Underlying Eligible Spot Transactions), Article 6 (Application Hours) and Article 7 (Price Increments) shall take effect on October 9, 2018.

**Supplementary Provisions**

Revisions to the provisions of Article 2 (Commodities Underlying Eligible Spot Transactions), Article 6 (Application Hours) and Article 7 (Price Increments) shall take effect on September 17, 2019.

**Supplementary Provisions**

Revisions shall be in effect as of December 1, 2019.

**Supplementary Provisions**

Revisions shall be in effect as of July 27, 2020.

**Supplementary Provisions**

Revisions shall be in effect as of April 1, 2021 and shall be applied for the EFP and EFS transactions registered at or after 4:15pm on March 31, 2021.

**Supplementary Provisions**

1. Revisions shall take effect on September 21, 2021.

2. Notwithstanding to the provisions of previous paragraph, in the event of operational trouble of the electronic trading system or other unavoidable reasons that it is deemed necessary by the Exchange, the revisions shall take effect from the day separately provided by the Exchange after the effective date in the preceding paragraph.

#### **Supplementary Provisions**

Revisions shall be in effect as of April 4, 2022.

#### **Supplementary Provisions**

1. Revisions shall become effective on January 31, 2022; provided, however, revisions in Article 5-2 shall become effective on April 4, 2022.
2. Revision in Article 5-2 shall apply to the notice from 8:20a.m. on April 4, 2022.
3. Notwithstanding the provisions of the preceding two paragraphs, in the event of operational trouble of the electronic trading system or other unavoidable reasons that deemed necessary by the Exchange, the revisions in Article 5-2 shall take effect from the day separately provided by the Exchange after April 4, 2022 and will apply to the notice from 8:20a.m. on the date specified by the Exchange.

#### **Supplementary Provisions**

1. Revisions shall become effective on April 4, 2022.
2. Notwithstanding the provisions of the preceding paragraph, in the event of operational trouble of the electronic trading system or other unavoidable reasons that deemed necessary by the Exchange, the revisions shall take effect from the day separately provided by the Exchange after the effective date in the preceding paragraph.

#### **Supplementary Provisions**

Revisions shall take effect on April 4, 2022.

#### **Supplementary Provisions**

1. Revisions shall become effective on September 21, 2022.
2. Notwithstanding the provisions of the preceding paragraph, in the event of operational trouble of the electronic trading system or other unavoidable reasons that deemed necessary by the Exchange, the revisions shall take effect from the day separately provided by the Exchange after the effective date in the preceding paragraph.

#### **Supplementary Provisions**

1. Revisions shall become effective on November 7, 2022.
2. Notwithstanding the provisions of the preceding paragraph, in the event of operational trouble of the electronic trading system or other unavoidable reasons that deemed necessary by the Exchange, the revisions shall take effect from the day separately provided by the Exchange after the effective date in the preceding paragraph.

#### **Supplementary Provisions**

Revisions shall take effect on July 14, 2023.