

## Energy Delivery Detailed Rules

**DISCLAIMER:**

This English translation is being provided for informational purposes only and represents a desire by the Exchange to promote better understanding of the Exchange by non-resident participants. While care has been taken to ensure that the translation is accurate and complete, Tokyo Commodity Exchange, Inc. accepts no liability or responsibility for any loss or damages, including trading losses, that may be incurred from any inaccuracy or omission in the English translation. In the event of discrepancies between the English version and the original Japanese version, the Japanese version shall prevail. Any dispute that may arise within or without a court of law with regard to the meaning of the words, provisions and stipulations of the rules, regulations and agreements shall be resolved in accordance with the Japanese texts.

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

1. These Detailed Rules shall, based on the provisions of Article 3.8 of the Market Rules, prescribe matters necessary for delivery in the Energy Market.

### **Article 2 (Definition of Terms)**

1. In Article 62.1.1 of the Market Rules and in these Detailed Rules, the meaning of the terms set forth shall be as prescribed in each of the respective items.
  - (1) "Maritime shipment" means shipment by means of a tanker or tank barge ("inland water vessel"), prescribed in Article 2.10 and Article 2.11 of the Regulations for the Carriage and Storage of Dangerous Goods in Ship (Ordinance of the Ministry of Transport No 30 of 1957).
  - (2) "Refinery" means a dangerous goods manufacturing facility, prescribed in Article 2 of the Fire and Disaster Management Act (Act No.186 of 1948), that is used to manufacture and store Class I and Class II Petroleums, set forth in the Schedule attached thereto, under the license granted by the head of municipalities, prefectural governor, or the Minister of Internal Affairs and Communications ("head of municipalities, etc."), pursuant to the provisions of Article 11 thereof.
  - (3) "Storage facility" means a dangerous goods storage facility, prescribed in Article 2 of the Fire and Disaster Management Act, that is used to store Class I and Class II Petroleums, set forth in the Schedule attached thereto, under the license granted by the head of municipalities, etc., pursuant to the provisions of Article 11 thereof.

### **Article 3 (Delivery Parties Concerned with Delivery of Gas Oil)**

1. Parties permitted to settle gas oil positions by delivery, prescribed in Article 73 of the Market Rules, shall be the sellers falling under Item 1, and the buyers falling under any of the following items: however, parties falling under Item 2 shall be the sellers only for Declared Delivery prescribed in Article 10.
  - (1) Trade Members or Broker Members who are Oil Company (an oil company prescribed in Article 144.1.2 of the Local Tax Act (Act No.226 of 1950) that is also the registered tax collecting person prescribed in Article 144-15.3 thereof ("Registered Tax Collecting Person")), or Broker Members who carry out delivery based on consignment from Oil Companies.
  - (2) Trade Members or Broker Members who are Gas Oil Delivery Agent (Exclusive Agents (meaning exclusive agents prescribed in Article 144.1.3 of the Local Tax Act who are also Registered Tax Collecting Persons) who are registered with the Exchange in accordance with the "Gas Oil Delivery Agent Registration Procedure" prescribed by the Exchange; same shall apply hereinafter), or Broker Member who carry out delivery based on consignment from Gas Oil Delivery Agent.
  - (3) Trade Members or Broker Members who are Gas Oil Dealers (person who engage commercially in buying and selling of gas oil exclude those prescribed in the preceding two items; same shall apply hereinafter) or Broker Members who carry out delivery based on consignment from Gas Oil Dealers.
  - (4) Trade Members or Broker Members who are Gas Oil Users (person who engage commercially in the use of gas oil such as Traffic Company who owns buses or trucks for the business, exclude those prescribed in the preceding three items; same shall apply hereinafter) or Broker Members who carry out delivery based on consignment from Gas Oil Users.
2. A Trade Member or Broker Member who intends to settle gas oil positions by delivery shall notify the Trade Member or the Broker Member who is the counterparty to said delivery the matters specified in each of the following items (exclude Item 3 in the case of delivery for its own account, and exclude Item 2 in the case of delivery for the customer's account):
  - (1) Name;
  - (2) Office address and point of contact;
  - (3) Name, office address, and point of contact of the customer; and

- (4) Delivery quantity, delivery point, and delivery day.
3. Upon receipt of notification prescribed in the preceding paragraph, the Broker Member shall notify the customer of the details of such notification without delay.
4. A Trade Member or Broker Member shall submit to the Exchange a document certifying that he/she (limited to the case of delivery for its own account) or the customer has confirmed the contents of the notification prescribed in Paragraph 2 (hereinafter referred to as “gas oil delivery party’s written confirmation”).
5. A Broker Members who carry out delivery based on the consignment listed in each Items of Paragraph 1 shall, prior to accepting the consignment prescribed in said respective items, receive a written document from the Oil Company, Gas Oil Delivery Recipient, Gas Oil Dealer, or Gas Oil User stating that they agree that notification will be made regarding matters prescribed in Article 74 of the Market Rules, and submit such document to the Exchange without delay, unless the customer under said respective items is a Member (exclude Remote Trade Members and Remote Broker Members; the same shall apply in Article 5).

#### **Article 4 (Gas Oil Delivery Tax Imposed on Delivery of Gas Oil)**

1. Delivery of gas oil shall be carried out with gas oil not falling under any of the following items.
  - (1) Gas oil on which gas oil delivery tax has been imposed.
  - (2) Tax-exempt gas oil provided for in Article 144-21 of the Local Tax Act (exclude the case that such clause applies *mutatis mutandis* to Article 12-2-7.2 of the supplementary provisions of the Local Tax Act).

#### **Article 5 (Maximum Quantity, etc. Concerning Delivery of Gas Oil)**

1. In the case where the person prescribed in any of the following items is the seller or the buyer, the maximum delivery quantity applicable to such person shall be the quantity per delivery unit prescribed in said respective items.
  - (1) Persons falling under Article 3.1.1: 500 lots for each contract month.
  - (2) Persons falling under Article 3.1.2
    - a. Persons whose amount of capital stock is 50 million yen or more or who have 50 or more permanent employees:  
100 lots for each contract month.
    - b. Persons whose amount of capital stock is less than 50 million yen and have less than 50 permanent employees:  
3 lots for each contract month.
2. In the case where the person prescribed in any of the following items is the buyer, the maximum delivery quantity applicable to such person shall be the quantity per delivery unit prescribed in said respective items.
  - (1) Persons falling under Article 3.1.3: 3 lots for each contract month.
  - (2) Persons falling under Article 3.1.4: 100 lots for each contract month.
3. A Gas Oil Delivery Recipient intending to settle gas oil positions by delivery based on consignment shall consign such delivery to a Broker Member who has registered said customer with the Exchange as the Gas Oil Delivery Recipient, unless the Gas Oil Delivery Recipient is a Member.

#### **Article 6 (Good Delivery Material)**

1. Good Delivery Material shall be as follows.
  - (1) Gasoline  
Either domestically refined gasoline satisfying the quality standard for commodities with standard grade, prescribed in Article 13.1.1.A of the Market Rules, and the conditions prescribed in the delivery handling procedure of Energy and Chukyo-oil market, or imported gasoline for which the customs formalities for import have been completed that is delivered from the tank through the loading arm, or through the hose (“tank delivery”), in a normal state, without any accidents.

- (2) Kerosene  
Either domestically refined kerosene satisfying the quality standard for commodities with standard grade, prescribed in Article 13.1.1.B of the Market Rules, and the conditions prescribed in the delivery handling procedure of Energy and Chukyo-oil market, or imported kerosene for which the customs formalities for import have been completed, that is delivered by way of tank delivery, in a normal state, without any accidents.
- (3) Gas oil  
Either domestically refined gas oil satisfying the quality standard for commodities with standard grade, prescribed in Article 13.1.1.C of the Market Rules, or imported gas oil for which the customs formalities for import have been completed that is delivered by way of tank delivery in a normal state without any accident.

#### **Article 7 (Calculation of Weight of Delivery Goods)**

1. The weight of delivery goods shall be measured using a meter ("flow meter") installed at delivery points, prescribed in Article 62.1.1 of the Market Rules ("delivery points"), and shall be the numerical value obtained by converting the oil temperature of the delivery goods to 15°C in accordance with the volume conversion factor, prescribed by the Japan Industrial Standard K2249.
2. The minimum measuring unit for delivery goods shall be 1 liter. Any resulting fraction that is less than 1 liter shall be rounded off.

#### **Article 8 (Weight Tolerance of Delivery Goods)**

1. As long as the weight of the delivery goods is within plus or minus two percent (2%) of the delivery amount stated in the General Delivery Notice, prescribed by Japan Securities Clearing Corporation ("JSCC"), the buyer shall accept the delivery goods and the settlement shall be completed at the delivery price for said weight of the delivery goods.
2. If the weight of the delivery goods exceeds or falls short of the weight limit of the proposed delivery amount by plus or minus two percent (2%) of the stated delivery amount, the following procedures shall be followed.
  - (1) If the weight of the delivery goods exceeded the upper limit of the proposed delivery amount plus two percent (2%) of the proposed delivery amount, the excess amount shall be disposed of by the seller under its own responsibility and excluded from the delivery goods for the purpose of said delivery.
  - (2) If the weight of the delivery goods fell short of the lower limit of the proposed delivery amount minus two percent (2%) of the proposed delivery amount, the shortage shall be handled in accordance with the provisions of JSCC.

#### **Article 9 (Quality Certification)**

1. In cases where the delivery is made at a storage facility qualified as a delivery point, the seller shall attach a Quality Certification if requested by the buyer; provided, however, in cases that the request is for the certification prescribed in item 2 of next paragraph and the seller could not prepare such certification due to the change of delivery date made by the buyer, the seller may substitute with the certification provided in Item 1 of the next paragraph.
2. The Quality Certification, prescribed in the preceding paragraph, shall be based on the analysis conducted in accordance with the method prescribed in either of the following items by any of the registered analysis centers, prescribed in Article 16-2 of the Act (Act No.88 of 1976) on the Quality Control of Gasoline and Other Fuels or those analysis centers approved by the Exchange as being equivalent to such registered analysis centers, provided that the analysis result satisfies the quality of Japanese Industrial Standard prescribed in Article 6.
  - (1) Method in which, with respect to the tank in which said delivery goods are stored, samples are extracted and analyzed at the first business day of current contract month.
  - (2) Method in which, with respect to the tank in which said delivery goods are stored, samples are extracted and analyzed when the goods were carried in last time before the delivery

- date provided in the General Delivery Notice prescribed by JSCC.
3. The request for the certification prescribed in item 2 of paragraph 2 shall be made by 3:30pm of the last business day of the month immediately preceding the month which current contract month belongs.

#### **Article 10 (Declared Delivery)**

1. Members intending to carry out a Declared Delivery, prescribed in Article 70 of the Market Rules, shall make an application using the application form prescribed by the Exchange, within the period from the next business day of the last trading day of the contract month immediately preceding the current contract month, to 2:30 p.m. of the business day that is two (2) days prior to the Last Trading Day of the current contract month.
2. In addition to those prescribed in the preceding paragraph, other matters necessary for the handling of Declared Delivery shall be prescribed by the Energy Declared Delivery Procedure.

#### **Article 11 (Customized Delivery)**

1. "Within the period prescribed by the Energy Delivery Detailed Rules" referred to in Article 71 of the Market Rules shall be as follows.
  - (1) Within the period from the noon of the business day immediately following the Last Trading Day of current contract month to the noon of the day on which the counterparty to receive the delivery goods is determined pursuant to the provisions of JSCC.
  - (2) Within the period from the time the counterparty to receive the delivery goods is determined to 3:30 p.m. of the business day immediately following the day on which said counterparty is determined.
2. In addition to those items prescribed in the preceding paragraph, other matters necessary for the handling of Customized Delivery shall be prescribed by the Energy Customized Delivery Procedure.

#### **Article 12 (ADP)**

1. "Within period prescribed by the Delivery Detailed Rules" referred to in Article 72 of the Market Rules shall be as follows.
  - (1) Within the period from the noon of the business day immediately following the Last Trading Day of current contract month, to the noon of the day on which the counterparty to receive the delivery goods is determined pursuant to the provisions of JSCC.
  - (2) Within the period from the time the counterparty to receive the delivery goods is determined to 3:30 p.m. of the business day immediately following the day on which said counterparty is determined.
  - (3) In addition to the period prescribed in the preceding 2 items, within the period from first business day of the current contract month to 3:30p.m. of the business day immediately preceding the last business day of the current contract month if agreed by both delivery parties (exclude the delivery provided in Article 10). In such case, the buyer and the seller shall notify the Exchange all the remaining delivery volume pertaining to said delivery thereof.

#### **Article 13 (Methods Relevant to Delivery)**

1. The methods provided in preceding three Articles shall be made through the electronic computer system set by the Exchange ("Delivery System"; the same shall apply hereinafter), which procedures are prescribed in the Delivery System Procedure. In such case, the approval of the seller and the buyer through the Delivery System shall be treated as "signed jointly by the seller and the buyer" prescribed in the ADP Detailed Rules, the Energy Declared Delivery Procedure and the Energy Customized Delivery Procedure.

**Article 14 (Energy Delivery Committee)**

1. The Exchange may establish the Committee to advise the Representative Director, President, in response to requests by the Representative Director, President thereof or otherwise, on matters concerning the delivery of Energy markets of the Exchange.
2. The structure and the meeting procedure of the Committee provided in preceding paragraph and other matters necessary for the administration of the Committee shall be governed by the Energy Delivery Committee Regulations.

**Article 15 (Emergency Measures)**

1. In cases where there arises a situation that is not prescribed in the Market Rules or in these Detailed Rules, or an unforeseen situation occurs with respect to delivery, the delivery shall be handled by the seller and the buyer based on mutual consultation between the delivery parties.

**Article 16 (Amendment to the Rules)**

1. These Detailed Rules shall be amended as necessary in consideration of actual delivery practices, and such amendments may be applied to existing contract months.

**Article 17 (Revision or Abolition)**

1. Revision or Abolition to these Detailed Rules shall be made with the approval of the Representative Director, President.

### **Supplementary Provisions**

These detailed rules shall take effect as of December 1, 2008.

### **Supplementary Provisions**

Revisions to Article 1 (Purpose), Article 2 (Definition of Terms), Article 3 (Delivery Parties Concerned with Delivery of Gas Oil), Article 5 (Good Delivery Material), Article 6 (Weight of Delivery Goods), Article 8 (Method for Determining the Counterparty for Delivery Goods), Article 9 (Delivery Method), Article 17 (Filing of Deficiency), Article 22 (Declared Delivery), and Article 23 (Customized Delivery) shall take effect as of May 7, 2009.

### **Supplementary Provisions**

Revisions to Article 8.2 (Method for Determining the Counterparty for Delivery Goods) shall take effect as of October 8, 2009 when the revisions of Market Rules Article 87 (Category of Membership) take effect.

### **Supplementary Provisions**

Revisions to Article 3.1.2 (Delivery Parties Concerned with Delivery of Gas Oil) shall take effect as of April 1, 2010, and revisions to Article 2 (Definition of Terms), Article 3.1 (Delivery Parties Concerned with Delivery of Gas Oil), Item 1, Item 3, Item 4, Article 3.2 through Article 3.5, Article 4 (Maximum Quantity, etc. Concerning Delivery of Gas Oil), Article 7 (Weight Tolerance of Delivery Goods), Article 8 (Method for Determining the Counterparty for Delivery Goods), Article 9 (Delivery Method), Article 15 (Handling of Inability to Deliver), Article 16 (Reasons for Inability to Deliver), and Article 20 (Penalty for late Delivery) and the newly established Article 3-2 (Gas Oil Delivery Tax Imposed on Delivery of Gas Oil) shall take effect as of May 6, 2010.

### **Supplementary Provisions**

Revisions to Article 6 (Weight of Delivery Goods) shall take effect as of May 15, 2012.

### **Supplementary Provisions**

Revisions to Article 3 (Delivery Parties Concerned with Delivery of Gas Oil), Article 8 (Method for Determining the Counterparty for Delivery Goods) and Article 12 (Specification of the Delivery Day) shall take effect as of March 31, 2014.

### **Supplementary Provisions**

Newly established Article 24 (ADP) and the revisions to the provisions of Article 24 (Emergency Measures), Article 25 (Amendment to the Rules) and Article 26 (Revision or Abolition) shall take effect as of September 26, 2014 and be applied to the delivery of October 2014 contract month and subsequent contract months.

### **Supplementary Provisions**

Revisions to Article 9 (Delivery Method) shall take effect as of October 1, 2014.

### **Supplementary Provisions**

#### **Article 1**

Newly established Article 25 (Methods Relevant to Delivery) and the revisions to Article 8 (Method for Determining the Counterparty for Delivery Goods), Article 9 (Delivery Method), Article 25 (Emergency Measures), Article 26 (Amendment to the Rules) and Article 27 (Revision or Abolition) shall take effect as of March 22, 2016.

#### **Article 2**

Notwithstanding to the previous Article, newly established Article 25 (Methods Relevant to Delivery) may not apply to the delivery of June 2016 contract month or before.

### **Supplementary Provisions**

Revisions to Article 22 (Declared Delivery) shall take effect as of October 20, 2016 and shall be applied to the December 2016 contract month and subsequent contract months.

**Supplementary Provisions**

Revisions to Article 3 (Delivery Parties Concerned with Delivery of Gas Oil), Article 8 (Method for Determining the Counterparty for Delivery Goods), Article 12 (Specification of the Delivery Day), Article 23 (Customized Delivery) and Article 24 (ADP) shall take effect as of October 31, 2016.

**Supplementary Provisions**

Revisions to Article 5 (Good Delivery Material) and Article 10 (Quality Certification) shall take effect as of November 14, 2016 and shall be applied to the delivery of June 2017 contract month and subsequent contract months.

**Supplementary Provisions**

Newly established Article 25 (Delivery on Request for Cash-settled Monthly Futures Transactions) and the revisions to Article 3 (Delivery Parties Concerned with Delivery of Gas Oil), Article 4 (Maximum Quantity, etc. Concerning delivery of Gas Oil), Article 8 (Method for Determining the Counterparty for Delivery Goods), Article 9 (Delivery Method), Article 25 (Methods Relevant to Delivery), Article 26 (Emergency Measures), Article 27 (Amendment to the Rules) and Article 28 (Revision or Abolition) shall take effect as of May 8, 2017.

**Supplementary Provisions**

Revisions to Article 8 (ADP) shall take effect as of June 22, 2017 and shall be applied to the delivery of July 2017 contract month and subsequent contract months.

**Supplementary Provisions**

Revisions to Article 6 (Weight of Delivery Goods) and Article 10 (Quality Certification) shall take effect as of July 1, 2019.

**Supplementary Provisions**

Revisions to Article 1 (Purpose), Article 3 (Delivery parties Concerned with Delivery of Gas Oil), Article 5 (Good Delivery Material), Article 22 (Declared Delivery), Article 23 (Customized Delivery), Article 25 (Delivery on Request for Cash-settled Monthly Futures Transactions) and Article 26 (Methods Relevant to Delivery) shall take effect as of September 17, 2019.

**Supplementary Provisions**

The revision shall take effect as of December 1, 2019.

**Supplementary Provisions**

The revision shall take effect as of July 27, 2020.

**Supplementary Provisions**

The revision shall take effect as of April 1, 2021.

**Supplementary Provisions**

Revisions shall take effect as of May 20, 2022 and shall be applied to the delivery of June 2022 contract month and subsequent contract months.