

# Energy Final Settlement Price Determination

## Detailed Rules

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

1. These regulations establish the necessary matters in connection with the determination of the final settlement price of Cash-settled Futures Transactions of energy, as prescribed in Article 3.7 of the Market Rules.

### **Article 2 (Definitions)**

1. The Final Settlement Price shall be based on the Reported Price prescribed in Article 3 and calculated with the method prescribed in Article 4.

### **Article 3 (Reported Price)**

1. The Reported Price of crude oil provided in Article 76.1.1 of the Market Rules shall be the price announced by S&P Global Inc. ("S&P Global") at each business day of the month prior to the month which the Final Settlement Day belongs to for Dubai crude oil prices of the nearest shipment month. In cases where the Reported Price cannot be obtained, the Exchange shall separately set forth the Reported Price taking into account the market conditions and the like.
2. The Reported Price for electricity provided in Article 76.2.2 of the Market Rules shall be as below.
  - (1) East Area Base Load  
The reported Price shall be the delivery price at Tokyo area formed through JEPX spot transaction during 00:00 to 24:00 of each calendar day of a month prior to the month which the Final Settlement Day belongs to. In cases where the Reported Price cannot be obtained or if the Exchange deems it necessary, the Exchange shall separately set forth the Reported Price taking into account the market conditions and the like.
  - (2) East Area Peakload  
The Reported Price shall be the delivery price at Tokyo area formed through JEPX spot transaction during 08:00 to 20:00 of each calendar day of the month prior to the month which the Final Settlement Day belongs to. In cases where the Reported Price cannot be obtained or if the Exchange deems it necessary, the Exchange shall separately set forth the Reported Price taking into account the market conditions and the like.
  - (3) West Area Base Load  
The Reported Price shall be the delivery price at Kansai area formed through JEPX spot transaction during 00:00 to 24:00 of each calendar day of the month prior to the month which the Final Settlement Day belongs to. In cases where the Reported Price cannot be obtained or if the Exchange deems it necessary, the Exchange shall separately set forth the Reported Price taking into account the market conditions and the like.
  - (4) West Area Peakload  
The Reported Price shall be the delivery price at Kansai area formed through JEPX spot transaction during 08:00 to 20:00 of each calendar day of a month prior to the month which the Final Settlement Day belongs to. In cases where the Reported Price cannot be obtained or if the Exchange deems it necessary, the Exchange shall separately set forth the Reported Price taking into account the market conditions and the like.
3. The Reported Price of LNG provided in Article 76.1.3 of the Market Rules shall be the price announced by S&P Global at each business day from 16<sup>th</sup> of the month prior to the month which the Final Settlement Day belongs to 15<sup>th</sup> of the month which the Final Settlement Day belongs to for spot LNG cargo delivered ex-ship to Japan and Korea. In cases where the Reported Price cannot be obtained, the Exchange shall separately set forth the Reported Price taking into account the market conditions and the like.

### **Article 4 (Calculation of Final Settlement Price)**

1. The Final Settlement Price of crude oil prescribed in Article 76.1.1 of the Market Rules shall be calculated in accordance with item 1 below by using the Adopted Prices defined under paragraph

- 1 of the preceding article and converted into yen per kiloliter by using the exchange rate stipulated in item 2 and conversion rate stipulated in item 3 below then round the amount less than JPY10.
- (1) The price shall be the monthly total of Reported Prices divided by the number of days on which Adopted Prices were obtained; provided, however that in cases where the Reported Prices were announced in both ask (or high) and bid (or low) prices, the crude oil price shall be obtained by adding the monthly total of Reported Prices in both ask (or high) price and bid (or low) price, and then dividing such result by twice the number of days on which Reported Prices were obtained;
  - (2) The exchange rate shall be the monthly average of the middle rates of the first exchange rates announced by the MUFG Bank, Ltd. on each of the Bank's business day; and
  - (3) With regard to conversion of units, 1 barrel shall be 0.1590 kiloliter.
2. The Final Settlement Price of Electricity prescribed in Article 76.1.2 of the Market Rules shall be calculated by dividing the monthly total of Reported Price defined under the Paragraph 4 of preceding article by the number of prices obtained. The amount less than JPY0.1 shall be rounded off.
  3. The Final Settlement Price of LNG prescribed in Article 76.1.3 of the Market Rules shall be calculated in accordance with item 1 below by using the Adopted Prices defined under paragraph 3 of the preceding article and converted into yen per mmBtu by using the exchange rate stipulated in item 2 then round the amount less than JPY0.1.
    - (1) The price shall be the total of Reported Prices during the period divided by the number of days on which Adopted Prices were obtained; provided, however that in cases where the Reported Prices were announced in both ask (or high) and bid (or low) prices, the LNG price shall be obtained by adding the monthly total of Reported Prices in both ask (or high) price and bid (or low) price, and then dividing such result by twice the number of days on which Reported Prices were obtained; and
    - (2) The average exchange rate shall be the average of the middle rates of the first exchange rates announced by the MUFG Bank, Ltd. on each of the Bank's business day during the period.
  4. In cases where the price calculated in preceding 2 paragraphs deemed to be inappropriate by the Exchange, the Exchange shall separately set forth the price taking into account the market conditions and the like.

#### **Article 5 (Indemnity Clause)**

1. Neither the Exchange nor S&P Global guarantees the accuracy and/or completeness of the assessment price or any of the data included therein. TOCOM and S&P Global make no warranties, express or implied, as to the results to be obtained by any person or entity from use of the assessment price, trading based on the assessment, or any data included therein in connection with the transaction of the contracts, or for other purposes. TOCOM and S&P Global make no warranties, express or implied, and hereby disclaim all warranties of merchantability or fitness for a particular purpose or use with respect to the assessment price or any data included therein. Without limiting any of the forgoing, in no event shall TOCOM or S&P Global have any liability for any lost profits or indirect, punitive, special or consequential damages (including lost profits), even if notified of the possibility of such damages. "Platts" is a trademark of S&P Global and has been licensed for use by TOCOM. S&P Global does not sponsor, endorse, sell or promote the said futures contracts and S&P Global makes no recommendations concerning the advisability of investing in the said futures contracts.

#### **Article 6 (Other Measures)**

1. The Exchange may institute provisions other than those stipulated in these Detailed Rules, if it is deemed necessary by the Exchange.

#### **Article 7 (Revision or Abolition)**

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

**Supplementary Provision**

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

**Supplementary Provision**

The revision to the provisions of Article 1 (Purpose) to Article 4 (Determination of Adopted Price) shall be in effect as of May 7, 2009.

**Supplementary Provision**

The revision to the provisions of Article 3 (Reported Price), Article 4 (Determination of Adopted Price) and Article 5 (Calculation of Final Settlement Price) shall be in effect as of October 17, 2014, and applied to June 2015 contract month and subsequent contract months.

**Supplementary Provision**

The revisions to the name of this detailed rules, the provisions of Article 1 (Purpose), Article 2 (Definitions), Article 3 (Reported Price), Article 5 (Calculation of Final Settlement Price), Article 6 (Indemnity Clause), Article 7 (Other Measures) and Article 8 (Revision or Abolition) and the delete of Article 4 (Determination of Adopted Price) shall be in effect as of May 8, 2017.

**Supplementary Provision**

The revisions to the name of this detailed rules, the provisions of Article 1 (Purpose), Article 2 (Definitions), Article 3 (Reported Price), and Article 4 (Calculation of Final Settlement Price) shall be in effect as of September 17, 2019.

**Supplementary Provision**

The revisions shall be in effect as of December 1, 2019.

**Supplementary Provision**

The revisions shall be in effect as of July 27, 2020.

**Supplementary Provision**

The revisions shall be in effect as of April 1, 2021.

**Supplementary Provision**

The revisions shall be in effect as of April 4, 2022.