

## Chukyo-Oil Delivery Detailed Rules

(As of October 1, 2023)

Tokyo Commodity Exchange, Inc.

### Rule 1 (Purpose)

1. These Detailed Rules shall, based on the provisions of Rule 3, Paragraph 7 of the Market Rules, prescribe matters necessary for physical delivery in the Chukyo-oil Market.

### Rule 2 (Definition of Terms)

1. In Rule 62, Paragraph 1, Item 2 of the Market Rules and in these Detailed Rules, the meaning of the terms set forth in each of the following items shall be as prescribed in each of the respective items.
  - (1) "Onshore shipment" means shipment by means of a mobile storage tanker (hereinafter referred to as a "tanker lorry"), prescribed in Article 2, Paragraph 10 and Article 2, Paragraph 11 of Hazardous Materials Control Order (Order No 306 of 1959).
  - (2) "Storage facility" means a dangerous goods storage facility, prescribed in Article 2 of Fire Service Act (Act No 186 of 1948), that is used to store 1st Class and 2nd Class 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.

### Rule 3 (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 Rule 13, Paragraph 1, Item 2, a. of the Market Rules, 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 (hereinafter referred to as "tank delivery"), in a normal state, without any accidents; provided, however, that exclude E3-gasoline (gasoline with 3% of ethanol content).
  - (2) Kerosene  
Either domestically refined kerosene satisfying the quality standard for commodities with standard grade, prescribed in Rule 13, Paragraph 1, Item 2, b. of the Market Rules, 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.

### Rule 3-2 (Application to be Designated as Delivery Point)

1. A person who intends to apply for the designation of the delivery point prescribed in Rule 62, Paragraph 1, Item 2 of the Market Rules (hereinafter referred to as a "Delivery Point") (hereinafter referred to as an "Applicant") shall submit an application which includes the

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## Reference Translation

- information provided in Paragraph 2 and 3 to the Exchange.
2. An information of the Applicant pertaining to each item below shall be included in the application documents prescribed in the previous paragraph.
    - (1) Name of the Applicant
    - (2) Address of the Applicant
    - (3) Date of establishment
    - (4) Name and title of the representative person
    - (5) Amount of capital
  3. An information of the storage facility pertaining to each item below shall be included in the application documents prescribed in Paragraph 1.
    - (1) Name of the storage facility
    - (2) Address of the storage facility
    - (3) Construction date of the storage facility
    - (4) An Installment license number in accordance with the Fire Service Act
    - (5) Ownership of the facility
    - (6) Type of oil and the maximum storage amount of each oil type
    - (7) Size of each tank
    - (8) Business day and business hour (the time that no extra fee for shipping; the same shall apply hereinafter)
    - (9) Maximum quantity of ground shipping per day per each oil type
    - (10) Annual yearly record of storage per each oil type
    - (11) Number of the lorry rack lane (facility of ground shipping) per each oil type
    - (12) Maximum vessel size (in tons) of each loading dock(s)
    - (13) The validity period of verification mark of the flow meter (a meter to be use at loading point; the same shall apply hereinafter)
    - (14) The name of designated analysis agency and the frequency of analysis
    - (15) Other matters deemed necessary by the Exchange
  4. An application prescribed in Paragraph 1 shall accompanied by the documents set forth in below items.
    - (1) A ground plan, an elevation, and a sketch of the storage facility
    - (2) Copy of the installment license
    - (3) Copy of the document which shows an information on the verification mark of flow meter
    - (4) Sample of the shipping request (shipping order)
    - (5) Sample of the statement of delivery
    - (6) Business report and other documents that show the overview and history of the company

### **Rule 3-3 (Application to be Designated as Delivery Point)**

1. The criteria of the Exchange to designate the delivery point in accordance with the application prescribed in Paragraph 1 of the previous Rule is as below.
  - (1) The Storage facility shall be located in Shiomi-cho, Minato-ku, Nagoya or Tobishima-mura, Ama-gun in Aichi prefecture with ground shipping facility.
  - (2) An actual record of keeping and shipping the oil type which is the Exchange listed underlying component product and have certain amount of storage of such oil type at the time of submitting the application
  - (3) The flow meter installed
  - (4) Applicable to issue the quality certificate prescribed in Rule 6
  - (5) Completely equipped for fire prevention required in Fire Service Act
  - (6) State Monday to Saturday as a business day
  - (7) Usual business hour starts from or before 6 a.m. on business day

### **Rule 3-4 (Change of Condition of Designated Delivery Point)**

1. If a person intends to change the condition provided in Rule 3-2, Paragraph 3, Item 8, said person shall submit an application to change the condition of delivery point to the Exchange and obtain an approval of the Exchange by 2 months prior to such change.
2. In the case when the designated delivery point does not fulfill the condition prescribed in Item

6 or Item 7 of preceding Rule due to the change prescribed in previous Paragraph, the Exchange may take necessary measures such as withdrawal of the designation or add condition to the designation such as a seller shall pay the fees for shipping, etc. on the date and time deemed appropriate by the Exchange.

**Rule 3-5 (Obligations of Deliverers and Receivers Pertaining to Settlement by Physical Delivery)**

1. A Trading Participant who is a deliverer of a physical delivery shall notify the Exchange of the name or legal entity name and the registration number (meaning the registration number prescribed in Article 57-2, Paragraph 4 of the Consumption Tax Act (Act No. 108 of 1988); the same shall apply hereinafter) of its customer in cases where the transaction is consigned by a customer, or the registration number of said Trading Participant in cases where the transaction is for its proprietary account, no later than the deadline specified by the Exchange on the last trading day of the nearest contract.
2. In cases where a company pursuant to the previous paragraph (meaning the customer in cases where the transaction is consigned by a customer, or the Trading Participant in cases where the transaction is for a proprietary account) ceases to be a qualified invoice issuer (meaning a business issuer of qualified invoice prescribed in Article 2, Paragraph 1, Item 7-2 of the Consumption Tax Act; the same shall apply in this rule), the Trading Participant shall promptly notify the Exchange to that effect.
3. In cases where a company pursuant to Paragraph 1 ceases to be a qualified invoice issuer and the settlement by physical delivery corresponding to the notification of registration number pursuant to the same paragraph has not been completed, the Exchange shall deem that said notification has not been given.
4. A Trading Participant who is a receiver of a physical delivery shall notify the Exchange of the name or legal entity name of the receiver (meaning the name or legal entity name of the customer in cases where the transaction is consigned by a customer, or the name or legal entity name of said Trading Participant in cases where the transaction is for its proprietary account) no later than the time specified by the Exchange on the last trading day of the nearest contract) by a method specified by the Exchange.

**Rule 4 (Calculation of Weight of Delivery Goods)**

1. The weight of delivery goods shall be measured using a meter (hereinafter referred to as a "flow meter") installed at delivery points, prescribed in Rule 62, Paragraph 1, Item 2 of the Market Rules (hereinafter referred to as "delivery points").
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.

**Rule 5 (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 (hereinafter referred to as "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 prescribed by JSCC.

### **Rule 6 (Quality Certification)**

1. In cases where the physical delivery is made at a delivery point prescribed in Rule 62, Paragraph 1, Item 2 of Market Rules, if the buyer requests that a Quality Certification be attached, the seller shall do so as requested; provided, however, that this requirement shall not apply if the physical delivery is made at a delivery point approved by the Exchange for such exception.
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 on the Quality Control of Gasoline and Other Fuels (Act no 88 of 1976) or those analysis centers approved by the Exchange as being equivalent to such registered analysis centers, provided that the analysis result satisfies the standard, prescribed in Rule 5.
  - (1) Method in which, with respect to the tank in which said delivery goods are or were stored, samples are extracted and analyzed for each rotation of the tank.
  - (2) Method in which, with respect to the tank in which said delivery goods are or were stored, samples are extracted and analyzed once every month.

### **Rule 7 (Declared Delivery)**

1. Trading Participants intending to carry out a Declared Delivery, prescribed in Rule 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 immediately preceding the nearest contract, to 2:30 p.m. of the business day that is two (2) days prior to the Last Trading Day of the nearest contract.
2. In addition to those prescribed in the preceding paragraph, other matters necessary for the handling of Declared Delivery shall be prescribed by the Chukyo-oil Declared Delivery Procedure.

### **Rule 8 (Customized Delivery)**

1. "Within the period prescribed by the Chukyo-oil Delivery Detailed Rules" referred to in Rule 71 of the Market Rules shall be as follows.
  - (1) Within the period from noon of the business day immediately following the Last Trading Day of the nearest contract, until noon of the day on which the counterparty to receive the delivery goods is determined pursuant to the provisions prescribed by JSCC.
  - (2) Within the period from the time the counterparty to receive the delivery goods is determined until 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 Chukyo-oil Customized Delivery Procedure.

### **Rule 9 (ADP)**

1. "Within period" referred to in Rule 72 of the Market Rules shall be as follows.
  - (1) Within the period from noon of the business day immediately following the Last Trading Day of the nearest contract, until noon of the day on which the counterparty to receive the delivery goods is determined pursuant to the provisions prescribed by JSCC.
  - (2) Within the period from the time the counterparty to receive the delivery goods is determined until 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 nearest contract to 3:30 p.m. of the business day immediately preceding the last business day of the nearest contract if agreed by both delivery parties (exclude the physical delivery provided in Rule 7). In such case, the buyer and the seller

shall notify the Exchange the remaining delivery volume pertaining to said delivery thereof.

**Rule 10 (Methods Relevant to Physical Delivery)**

1. The methods provided in Rule 7 through Rule 9 shall be made through the electronic computer system set by the Exchange (hereinafter referred to as the "Delivery System"), 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 Chukyo-oil Declared Delivery Procedure and the Chukyo-oil Customized Delivery Procedure.

**Rule 10-2 (Issuance of Qualified Invoices Pursuant to Special Rules for Sales Through Intermediaries)**

1. When positions are settled by physical delivery, the Exchange shall promptly issue the documents referred to in each of the following items to the Trading Participant referred to in said items pursuant to the special rules for sales through intermediaries (meaning special rules for issuing qualified invoices and other related documents by qualified invoice issuers engaged in intermediation and brokerage prescribed in Article 70-12 of the Order for Enforcement of the Consumption Tax Act (Act No. 360 of 1988)) after said settlement by physical delivery.
  - (1) To a receiving Trading Participant, a qualified invoice which states the name and registration number of the Exchange as deliverer information and the receiver's name or legal entity name as receiver information (meaning a qualified invoice prescribed in Article 57-4, Paragraph 1 of the Consumption Tax Act; hereinafter referred to as the "qualified invoice");
  - (2) To a delivering Trading Participant, a settlement statement which omits the receiver information from the qualified invoice pursuant to the preceding item (hereinafter referred to as the "settlement statement").
2. Notwithstanding the provisions of the preceding paragraph, in cases where there is no notification pursuant to Rule 3-5, Paragraph 1 or Rule 3-5, Paragraph 3, the Exchange shall not issue documents referred to in each item of the preceding paragraph to the Trading Participant referred to in said item.
3. A Trading Participant may provide an electromagnetic record (meaning the electromagnetic record prescribed in Article 30, Paragraph 9 of the Consumption Tax Act) of matters required to be stated in the qualified invoice or settlement statement in place of issuance of these documents.
4. In addition to those specified in the preceding three (3) paragraphs, matters necessary for issuance of qualified invoices and other related documents shall be specified by the Exchange.

**Rule 11 (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 physical delivery, the delivery shall be handled by a seller and a buyer based on mutual consultation between the delivery parties.

**Rule 12 (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 contracts.

**Rule 13 (Revision or Abolition)**

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

Reference Translation

**Supplementary Provisions**

These detailed rules shall be in effect as of October 12, 2010.

**Supplementary Provisions**

Revisions to the provisions of Rule 4 (Calculation of Weight of Delivery Goods) shall be in effect as of May 15, 2012.

**Supplementary Provisions**

Revisions to the provisions of Rule 3 (Good Delivery Materials) shall be in effect as of June 5, 2013 and applied to the physical delivery of January 2014 contract and subsequent contracts.

**Supplementary Provisions**

Revisions to the provisions of Rule 6 (Method for Determining the Counterparty for Delivery Goods) and Rule 10 (Specification of the Delivery Day) shall be in effect as of March 31, 2014.

**Supplementary Provisions**

Newly settled Rule 22 (ADP) and the revisions to the provisions of Rule 22 (Emergency Measures), Rule 23 (Amendment to the Rules) and Rule 24 (Revision or Abolition) shall be in effect as of September 26, 2014 and applied to the physical delivery of October 2014 contract and subsequent contracts.

**Supplementary Provisions**

Revisions to the provisions of Rule 7 (Delivery Method) shall be in effect as of October 1, 2014.

**Supplementary Provisions**

**Rule 1**

Newly established Rule 23 (Methods Relevant to Delivery) and the revisions to the provisions of Rule 6 (Method for Determining the Counterparty for Delivery Goods), Rule 7 (Delivery Method), Rule 23 (Emergency Measures), Rule 24 (Amendment to the Rules) and Rule 25 (Revision or Abolition) shall be in effect as of March 22, 2016.

**Rule 2**

Notwithstanding to the previous Rule, newly established Rule 23 (Methods Relevant to Delivery) may not applied to the physical delivery of June 2016 contract or before.

**Supplementary Provisions**

Revisions to the provisions of Rule 20 (Declared Delivery) shall be in effect as of October 20, 2016 and shall applied to the December 2016 contract and subsequent contracts.

**Supplementary Provisions**

Revisions to the provisions of Rule 6 (Method for Determining the Counterparty for Delivery Goods), Rule 10 (Specification of the Delivery Day), Rule 21 (Customized Delivery) and Rule 22 (ADP) shall be in effect as of October 31, 2016.

**Supplementary Provisions**

Revisions to the provisions of Rule 6 (Method for Determining the Counterparty for Delivery Goods) and Rule 7 (Delivery Method) shall be in effect as of May 8, 2017.

**Supplementary Provisions**

Revisions to the provisions of Rule 22 (ADP) shall be in effect as of June 22, 2017 and shall applied to the July 2017 contract and subsequent contracts.

**Supplementary Provisions**

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

**Supplementary Provisions**

## Reference Translation

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

### **Supplementary Provisions**

The revision shall be in effect as of July 1, 2021.

### **Supplementary Provisions**

The revision shall be in effect as of January 31, 2022.

### **Supplementary Provisions**

The revision shall be in effect as of December 23, 2022.

### **Supplementary Provisions**

1. The revisions shall take effect on the later of October 1, 2023.
2. Even before the date the revisions take effect (hereinafter referred to as the "effective date"), a Trading Participant may give a notification to the Exchange pursuant to the provisions of Rule 3-5. In this case, any notification that has been given pursuant to these provisions shall be deemed to have been given pursuant to these provisions on the effective date.