

Clearing and Settlement Rules

(As of May 1, 2024)

Tokyo Commodity Exchange, Inc.

Rule 1 (Purpose)

1. These Rules shall, pursuant to Rule 3, Paragraph 10 of the Market Rules, prescribe necessary matters for clearing and settlement pertaining to transactions executed in commodity markets of the Company.

Rule 2 (Compensation for Damage Caused by Default)

1. When a Clearing Participant (limited to someone who is also a Trading Participant; same shall apply hereinafter in this Rule and Rule 4, Paragraph 1, Item 1) has caused damage to the Japan Securities Clearing Corporation (hereinafter referred as "JSCC") as a result of default on liabilities arising from transactions on a market of the Company, JSCC shall, with regard to the funds deposited as Guarantee Funds for participating the TOCOM market, pertaining to said transactions of the Clearing Participant who has caused the damage, have the right to receive repayment in preference over other creditors.
2. Notwithstanding the provisions of the preceding paragraph, the right of a person who consigned transactions to receive preferential repayment, under the provisions of Rule 135 of the Market Rules, shall take precedence over the right of JSCC with regard to the Guarantee Funds set forth in the same paragraph.

Rule 3 (Measures Related to Losses or Damages of JSCC)

1. Where JSCC incurs losses or damages as a result of a Clearing Participant's default on liabilities, arising from transactions on a market of the Company, the Company shall compensate for the losses within the scope of the agreement previously entered into with JSCC.

Rule 4 (Order to Make Up for the Losses or Damages)

1. When compensating losses or damages, in accordance with the agreement specified in the provisions of Rule 3, due to a Clearing Participant's default on liabilities arising from transactions on a market of the Company, the Company shall make the relevant payment in the order set forth as follows.
 - (1) Deposits, etc. deposited by such Clearing Participant with the Company (excluding Guarantee Funds).
 - (2) Default Reserve Fund.
2. Upon disbursement pursuant to Item 2 of the preceding Paragraph, the Company shall have indemnity rights against said Clearing Participant regarding the paid amount. Proceeds gained through exercise of the indemnity rights, in accordance with said item of the same Paragraph, shall be transferred to the Default Reserve Fund.

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Rule 5 (Revision or Abolition of the Rules)

1. Revision or abolition to these Rules shall be determined by resolution adopted by the Board of Directors meeting; provided, however, that the same shall not apply to the minor revision.

Supplementary Provisions

These Rules shall take effect on and after December 1, 2008.

Supplementary Provisions

Revisions to Rule 2, Paragraph 2 shall be in effect on May 7, 2009.

Supplementary Provisions

Revisions to Rule 1 shall be in effect on October 8, 2009.

Supplementary Provisions

Revisions to Rule 5 shall be in effect on July 1, 2009.

Supplementary Provisions

Newly established Rule 3-2 shall be in effect on June 4, 2012.

Supplementary Provisions

Revisions to Rule 3-2 shall be in effect on September 13, 2012.

Supplementary Provisions

Revisions to Rule 2, Rule 3-2 and Rule 4 shall be in effect on March 24, 2014.

Supplementary Provisions

Revisions shall be in effect on December 1, 2019.

Supplementary Provisions

Revisions shall be in effect on July 27, 2020.

Supplementary Provisions

Revisions shall be in effect on January 31, 2022.

Supplementary Provisions

Revisions shall be in effect on January 1, 2023.

Supplementary Provisions

Revisions shall be in effect on May 1, 2024.