

Detailed Rules for Examination of Details of Transactions on the Commodity Market

(As of January 1, 2023)

Tokyo Commodity Exchange, Inc.

Rule 1 (Purpose)

1. These Rules shall, based on the provisions of Rule 3, Paragraph 14 of the Market Rules, prescribe necessary matters with regard to examination of details of transactions on the commodity market of the Exchange.
2. The purpose of the examination pursuant to the preceding paragraph is to discover acts in violation of laws and regulations or dispositions taken by the Regulating Minister pursuant to the laws and regulations, acts in violation of the Exchange's Articles of Incorporation, Market Rules, Brokerage Rules and any other rules and regulations or disciplinary actions taken pursuant to the rules and regulations, or acts which violate the Just and Equitable Principles of Trade (hereinafter referred to as "Acts of Violation") as well as acts which are likely to fall under Acts of Violation, and to accordingly carry out necessary measures against Trading Participants involved in these acts, thus preventing Acts of Violation and acts which are likely to fall under Acts of Violation, securing trust in the Exchange and its Trading Participants and being conducive to the public interest and protection of Customers, etc.

Rule 2 (Transactions Subject to Examination)

1. The Exchange shall carry out examination of the details of the transactions referred to in the following items.
 - (1) Series of transactions in the commodity market for which price and trading volume fluctuations are unusual;

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.

Reference Translation

- (2) Transactions in the commodity market where material facts (meaning material facts prescribed in Rule 2 of the Electricity Market Insider Trading Detailed Rules; the same shall apply in the following item) have been publicly released:
- (3) Other transactions for which the Exchange deems it necessary to carry out examination.

Rule 3 (Examination Items)

1. Examination of the details of the transactions referred to in each item of the preceding rule shall be carried out for necessary items such as those referred to in each of the following items.
 - (1) Situation of price and trading volume fluctuation
 - (2) Situation of Trading Participants' sales or purchases
 - (3) Matters related with customers and situation of sell or buy orders placed by said customers
 - (4) Matters related with details of material facts and publication thereof.

Rule 4 (Requiring Materials, etc. for Examination)

1. Where the Exchange deems it necessary in order to carry out examination of transactions in the commodity market referred to in each item of Rule 2, the Exchange shall require a Trading Participant to present or allow inspection of its ledgers, documents and other articles, or submit materials or explain the facts, and prepare written documents stating the details of such explanation, etc.

Rule 5 (Issuing Warnings to Trading Participants, etc.)

1. In cases where an act of a Trading Participant is deemed to be an Act of Violation or an act which is likely to fall under an Act of Violation as a result of the examination of the details of the transactions in the commodity market and it is deemed necessary by the Exchange, it shall issue a warning to said Trading Participant.
2. In cases where the Exchange issues a warning pursuant to the provisions of the preceding paragraph and deems it necessary, it shall require said Trading Participant to submit a report on improvement measures, etc. in writing.

Rule 6 (Revision or Abolition)

1. Revision or abolition of these guidelines shall be approved by the Representative Director, President.

Supplementary Provisions

These Rules shall take effect on January 1, 2023.