

Detailed Rules for Order Management Systems at Trading Participants

(As of January 1, 2023)

Tokyo Commodity Exchange, Inc.

Rule 1 (Purpose)

1. These Rules shall, based on the provisions of Rule 3, Paragraph 16 of the Market Rules, prescribe matters necessary for order management systems that are developed and maintained by Trading Participants who conduct trades on the Exchange market.
2. The purpose of developing and maintaining order management systems pursuant to the preceding paragraph is to prevent Trading Participants who conduct trades on the Exchange market from accepting and placing erroneous orders with regard to trading on the Exchange market through the establishment of internal rules and implementation of any other necessary measures, thereby securing confidence in the Exchange and Trading Participants and contributing to the public interest and protection of Customers, etc. (meaning the Customers, etc. prescribed in Rule 33, Paragraph 2 of the Market Rules; the same shall apply hereinafter).

Rule 2 (Establishment of Internal Rules)

1. A Trading Participant who conducts trades on the Exchange market shall develop and maintain internal rules concerning order management conducted by the Trading Participant that specify the matters referred to in each of the following.
 - (1) Matters concerning confirmation of order details of Customers, etc.;
 - (2) Matters concerning restrictions on order placement;
 - (3) Matters concerning appointment of approvers;
 - (4) Matters concerning sufficient dissemination of internal rules; and
 - (5) Other matters deemed necessary.

Rule 3 (Confirmation of Order Details of Customers, etc.)

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1. A Trading Participant who conducts trades on the Exchange market shall confirm the following matters when it accepts orders from Customers, etc.
 - (1) The transaction type, listed commodity component product (for electricity, underlying product of cash-settled futures as prescribed in Rule 14 of the Market Rules), contract month, whether it is a purchase or sale, price, quantity and other order details of the Customer, etc.
 - (2) Financial resources, characteristics, and traded products of the Customer, etc. and other information concerning the Customer, etc.
2. A Trading Participant who conducts trades on the Exchange market shall make efforts to gain an understanding of the financial resources of Customers, etc. in advance.

Rule 4 (Restriction on Order Placement)

1. A Trading Participant who conducts trades on the Exchange market shall impose restrictions or implement measures referred to in each item of the following, taking into consideration the matters and financial resources of the Trading Participant referred to in each item of Paragraph 1 of the preceding rule, when it places orders on the Exchange market.
 - (1) Restrictions to prohibit the placement of orders in excess of a specified volume or value
 - (2) Restrictions to require approval before placement of orders in excess of a specified volume or value
 - (3) Restrictions deemed appropriate to prevent the placement of orders, etc. whose total volume or value during a specified period of time are equal to or in excess of a specified volume or value
 - (4) Measures immediately halting placement of new orders to the Exchange if an unusual order is unexpectedly placed or there is such a risk due to reasons such as a malfunction of systems that Customers, etc. or Trading Participants use
2. A Trading Participant who conducts trades on the Exchange market shall impose restrictions or implement measures referred to in each item of the preceding paragraph under the direct and exclusive control of said Trading Participant.

Rule 5 (Appointment of Approvers)

1. A Trading Participant who conducts trades on the Exchange markets shall appoint persons who give approval pursuant to Item 2 of Paragraph 1 of the preceding rule at each office from which orders are placed on the Market; provided, however, that this shall not apply where orders are placed through any other office and said approval is given at said other office.

Rule 6 (Restrictions Through Order Placement Systems)

Reference Translation

1. A Trading Participant who conducts trades on the Exchange market shall implement restrictions or measures referred to in each item of Rule 4, Paragraph 1 by using the systems or methods specified in each of the following items.
 - (1) Restrictions referred to in Rule 4, Paragraph 1, Item 1
Systems pertaining to restrictions on order placement provided by the Exchange to a Trading Participant
 - (2) Restrictions referred to in Rule 4, Paragraph 1, Item 2
Systems pertaining to order placement used by the relevant Trading Participant
 - (3) Restrictions referred to in Rule 4, Paragraph 1, Item 3 and measures referred to in Item 4 of the same paragraph
Systems prescribed in Item 1 or preceding item, or methods that are deemed appropriate.

Rule 7 (Dissemination of Internal Regulations)

1. A Trading Participant who conducts trades on the Exchange market shall ensure effectiveness of the internal rules pursuant to Rule 2 by keeping officers and employees fully informed, conducting periodic internal inspections concerning the status of compliance, and taking any other necessary measures.

Rule 8 (Management of Proprietary Trading)

1. A Trading Participant who conducts trades on the Exchange market shall develop and maintain appropriate order management systems for its own proprietary trading, taking into account said Trading Participant's forms of trading and other things.

Rule 9 (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.