

## Energy 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 Energy Market.

### Rule 2 (Definition of Terms)

1. In Rule 62, Paragraph 1, Item 1 of the Market Rules and in these Detailed Rules, the meaning of the terms set forth shall be as prescribed in each of the respective items.
  - (1) "Maritime shipment" means shipment by means of a tanker or tank barge (hereinafter referred to as an "inland water vessel"), prescribed in Article 2, Paragraphs 10 and 11 of the Regulations for the Carriage and Storage of Dangerous Goods in Ship (Ordinance of the Ministry of Transport No 30 of 1957).
  - (2) "Refinery" means a dangerous goods manufacturing facility, prescribed in Article 2 of the Fire and Disaster Management Act (Act No.186 of 1948), that is used to manufacture and store Class I and Class II Petroleums, set forth in the Schedule attached thereto, under the license granted by the head of municipalities, prefectural governor, or the Minister of Internal Affairs and Communications (hereinafter referred to as the "head of municipalities, etc."), pursuant to the provisions of Article 11 thereof.
  - (3) "Storage facility" means a dangerous goods storage facility, prescribed in Article 2 of the Fire and Disaster Management Act, that is used to store Class I and Class II 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 (Delivery Parties Concerned With Physical Delivery of Gas Oil)

1. Parties permitted to settle gas oil positions by physical delivery, prescribed in Rule 73 of the Market Rules, shall be the sellers falling under Item 1, and the buyers falling under any of the following items: however, parties falling under Item 2 shall be the sellers only for Declared Delivery prescribed in Rule 10.
  - (1) Market Trading Participants or Broker Trading Participants who are Oil Company (an oil company prescribed in Article 144, Paragraph 1, Item 2 of the Local Tax Act (Act No.226 of 1950) that is also the registered tax collecting person prescribed in Article 144-15, Paragraph 3 thereof (hereinafter referred to as "Registered Tax Collecting Person")), or Broker Trading Participants who carry out physical delivery based on consignment from Oil Companies.
  - (2) Market Trading Participants or Broker Trading Participants who are Gas Oil Delivery Agent (Exclusive Agents (meaning exclusive agents prescribed in Article 144, Paragraph 1, Item 3 of the Local Tax Act who are also Registered Tax Collecting Persons) who are registered with the Exchange in accordance with the "Gas Oil Delivery

- Agent Registration Procedure” prescribed by the Exchange; the same shall apply hereinafter), or Broker Trading Participant who carry out physical delivery based on consignment from Gas Oil Delivery Agent.
- (3) Market Trading Participants or Broker Trading Participants who are Gas Oil Dealers (person who engage commercially in buying and selling of gas oil exclude those prescribed in the preceding two items; the same shall apply hereinafter) or Broker Trading Participants who carry out physical delivery based on consignment from Gas Oil Dealers.
  - (4) Market Trading Participants or Broker Trading Participants who are Gas Oil Users (person who engage commercially in the use of gas oil such as Traffic Company who owns buses or trucks for the business, exclude those prescribed in the preceding three items; the same shall apply hereinafter) or Broker Trading Participants who carry out physical delivery based on consignment from Gas Oil Users.
2. A Market Trading Participant or Broker Trading Participant who intends to settle gas oil positions by physical delivery shall notify the Market Trading Participant or the Broker Trading Participant who is the counterparty to said delivery the matters specified in each of the following items (exclude Item 3 in the case of physical delivery for its own account, and exclude Item 2 in the case of physical delivery for the customer’s account):
    - (1) Name;
    - (2) Office address and point of contact;
    - (3) Name, office address, and point of contact of the customer; and
    - (4) Delivery quantity, delivery point, and delivery day.
  3. Upon receipt of notification prescribed in the preceding paragraph, the Broker Trading Participant shall notify the customer of the details of such notification without delay.
  4. A Market Trading Participant or Broker Trading Participant shall submit to the Exchange a document certifying that it (limited to the case of physical delivery for its own account) or the customer has confirmed the contents of the notification prescribed in Paragraph 2 (hereinafter referred to as “gas oil delivery party’s written confirmation”).
  5. A Broker Trading Participants who carry out physical delivery based on the consignment listed in each Item of Paragraph 1 shall, prior to accepting the consignment prescribed in said respective items, receive a written document from the Oil Company, Gas Oil Delivery Recipient, Gas Oil Dealer, or Gas Oil User stating that they agree that notification will be made regarding matters prescribed in Rule 74 of the Market Rules, and submit such document to the Exchange without delay, unless the customer under said respective items is a Trading Participant (exclude Remote Market Trading Participants and Remote Broker Trading Participants; the same shall apply in Rule 5).

**Rule 4 (Gas Oil Delivery Tax Imposed on Physical Delivery of Gas Oil)**

1. Physical delivery of gas oil shall be carried out with gas oil not falling under any of the following items.
  - (1) Gas oil on which gas oil delivery tax has been imposed.
  - (2) Tax-exempt gas oil provided for in Article 144-21 of the Local Tax Act (exclude the case that such clause applies *mutatis mutandis* to Article 12-2-7, Paragraph 2 of the supplementary provisions of the Local Tax Act).

**Rule 5 (Maximum Quantity, etc. Concerning Physical Delivery of Gas Oil)**

1. In the case where the person prescribed in any of the following items is the seller or the buyer, the maximum delivery quantity applicable to such person shall be the quantity per delivery unit prescribed in said respective items.
  - (1) Persons falling under Rule 3, Paragraph 1, Item 1: 500 lots for each contract.
  - (2) Persons falling under Rule 3, Paragraph 1, Item 2
    - a. Persons whose amount of capital stock is JPY 50 million or more or who have 50 or more permanent employees:  
100 lots for each contract.

- b. Persons whose amount of capital stock is less than JPY 50 million and have less than 50 permanent employees:  
3 lots for each contract.
- 2. In the case where the person prescribed in any of the following items is the buyer, the maximum delivery quantity applicable to such person shall be the quantity per delivery unit prescribed in said respective items.
  - (1) Persons falling under Rule 3, Paragraph 1, Item 3: 3 lots for each contract.
  - (2) Persons falling under Rule 3, Paragraph 1, Item 4: 100 lots for each contract .
- 3. A Gas Oil Delivery Recipient intending to settle gas oil positions by physical delivery based on consignment shall consign such delivery to a Broker Trading Participant who has registered said customer with the Exchange as the Gas Oil Delivery Recipient, unless the Gas Oil Delivery Recipient is a Trading Participant.

### **Rule 6 (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 1., a. of the Market Rules, and the conditions prescribed in the physical delivery handling procedure of Energy and Chukyo-oil market, 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.
  - (2) Kerosene  
Either domestically refined kerosene satisfying the quality standard for commodities with standard grade, prescribed in Rule 13, Paragraph 1, Item 1, b. of the Market Rules, and the conditions prescribed in the physical delivery handling procedure of Energy and Chukyo-oil market, 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.
  - (3) Gas oil  
Either domestically refined gas oil satisfying the quality standard for commodities with standard grade, prescribed in Rule 13, Paragraph 1, Item 1, c. of the Market Rules, or imported gas oil for which the customs formalities for import have been completed that is delivered by way of tank delivery in a normal state without any accident.

### **Rule 6-2 (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 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.

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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 7 (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 1 of the Market Rules (hereinafter referred to as "delivery points"), and shall be the numerical value obtained by converting the oil temperature of the delivery goods to 15°C in accordance with the volume conversion factor, prescribed by the Japan Industrial Standard K2249.
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 8 (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 of JSCC.

#### **Rule 9 (Quality Certification)**

1. In cases where the physical delivery is made at a storage facility qualified as a delivery point, the seller shall attach a Quality Certification if requested by the buyer; provided, however, in cases that the request is for the certification prescribed in Item 2 of next paragraph and the seller could not prepare such certification due to the change of delivery date made by the buyer, the seller may substitute with the certification provided in Item 1 of the next paragraph.
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 (Act No.88 of 1976) on the Quality Control of Gasoline and Other Fuels or those analysis centers approved by the Exchange as being equivalent to such registered analysis centers, provided that the analysis result satisfies the quality of Japanese Industrial Standard prescribed in Article 6.
  - (1) Method in which, with respect to the tank in which said delivery goods are stored, samples are extracted and analyzed at the first business day of nearest contract.
  - (2) Method in which, with respect to the tank in which said delivery goods are stored, samples are extracted and analyzed when the goods were carried in last time before the delivery date provided in the General Delivery Notice prescribed by JSCC.
3. The request for the certification prescribed in Item 2 of Paragraph 2 shall be made by 3:30 p.m. of the last business day of the month immediately preceding the month which nearest contract belongs.

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**Rule 10 (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 Energy Declared Delivery Procedure.

**Rule 11 (Customized Delivery)**

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

**Rule 12 (ADP)**

1. "Within period prescribed by the Delivery Detailed Rules" referred to in Rule 72 of the Market Rules shall be as follows.
  - (1) Within the period from the noon of the business day immediately following the Last Trading Day of the nearest contract, to the noon of the day on which the counterparty to receive the delivery goods is determined pursuant to the provisions of JSCC.
  - (2) Within the period from the time the counterparty to receive the delivery goods is determined to 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 10). In such case, the buyer and the seller shall notify the Exchange all the remaining delivery volume pertaining to said delivery thereof.

**Rule 13 (Methods Relevant to Physical Delivery)**

1. The methods provided in preceding three Rules 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 Energy Declared Delivery Procedure and the Energy Customized Delivery Procedure.

**Rule 13-2. (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

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- 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; 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 6-2, Paragraph 1 or 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 14 (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 physical delivery shall be handled by the seller and the buyer based on mutual consultation between the delivery parties.

**Rule 15 (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 16 (Revision or Abolition)**

1. Revision or Abolition to these Detailed Rules shall be made with the approval of the Representative Director, President.

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### **Supplementary Provisions**

These detailed rules shall take effect as of December 1, 2008.

### **Supplementary Provisions**

Revisions to Rule 1 (Purpose), Rule 2 (Definition of Terms), Rule 3 (Delivery Parties Concerned with Delivery of Gas Oil), Rule 5 (Good Delivery Material), Rule 6 (Weight of Delivery Goods), Rule 8 (Method for Determining the Counterparty for Delivery Goods), Rule 9 (Delivery Method), Rule 17 (Filing of Deficiency), Rule 22 (Declared Delivery), and Rule 23 (Customized Delivery) shall take effect as of May 7, 2009.

### **Supplementary Provisions**

Revisions to Rule 8 (Method for Determining the Counterparty for Delivery Goods), Paragraph 1, Item 2 shall take effect as of October 8, 2009 when the revisions of Market Rules Rule 87 (Category of Membership) take effect.

### **Supplementary Provisions**

Revisions to Rule 3 (Delivery Parties Concerned with Delivery of Gas Oil), Paragraph 1, Item 2 shall take effect as of April 1, 2010, and revisions to Rule 2 (Definition of Terms), Rule 3 (Delivery Parties Concerned with Physical Delivery of Gas Oil), Paragraph 1, Items 1, 3, and 4, Rule 3, Paragraphs 2 through 5, Rule 4 (Maximum Quantity, etc. Concerning Delivery of Gas Oil), Rule 7 (Weight Tolerance of Delivery Goods), Rule 8 (Method for Determining the Counterparty for Delivery Goods), Rule 9 (Delivery Method), Rule 15 (Handling of Inability to Deliver), Rule 16 (Reasons for Inability to Deliver), and Rule 20 (Penalty for Late Delivery) and the newly established Rule 3-2 (Gas Oil Delivery Tax Imposed on Delivery of Gas Oil) shall take effect as of May 6, 2010.

### **Supplementary Provisions**

Revisions to Rule 6 (Weight of Delivery Goods) shall take effect as of May 15, 2012.

### **Supplementary Provisions**

Revisions to Rule 3 (Delivery Parties Concerned with Physical Delivery of Gas Oil), Rule 8 (Method for Determining the Counterparty for Delivery Goods) and Rule 12 (Specification of the Delivery Day) shall take effect as of March 31, 2014.

### **Supplementary Provisions**

Newly established Rule 24 (ADP) and the revisions to the provisions of Rule 24 (Emergency Measures), Rule 25 (Amendment to the Rules) and Rule 26 (Revision or Abolition) shall take effect as of September 26, 2014 and be applied to the physical delivery of October 2014 contract and subsequent contracts.

### **Supplementary Provisions**

Revisions to Rule 9 (Delivery Method) shall take effect as of October 1, 2014.

### **Supplementary Provisions**

#### **Rule 1**

Newly established Rule 25 (Methods Relevant to Delivery) and the revisions to Rule 8 (Method for Determining the Counterparty for Delivery Goods), Rule 9 (Delivery Method), Rule 25 (Emergency Measures), Rule 26 (Amendment to the Rules) and Rule 27 (Revision or Abolition) shall take effect as of March 22, 2016.

#### **Rule 2**

Notwithstanding to the previous Rule, newly established Rule 25 (Methods Relevant to Delivery) may not apply to the physical delivery of June 2016 contract or before.

### **Supplementary Provisions**

Revisions to Rule 22 (Declared Delivery) shall take effect as of October 20, 2016 and shall be

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applied to the December 2016 contract and subsequent contracts.

**Supplementary Provisions**

Revisions to Rule 3 (Delivery Parties Concerned with Physical Delivery of Gas Oil), Rule 8 (Method for Determining the Counterparty for Delivery Goods), Rule 12 (Specification of the Delivery Day), Rule 23 (Customized Delivery) and Rule 24 (ADP) shall take effect as of October 31, 2016.

**Supplementary Provisions**

Revisions to Rule 5 (Good Delivery Material) and Rule 10 (Quality Certification) shall take effect as of November 14, 2016 and shall be applied to the physical delivery of June 2017 contract and subsequent contracts.

**Supplementary Provisions**

Newly established Rule 25 (Delivery on Request for Cash-settled Monthly Futures Transactions) and the revisions to Rule 3 (Delivery Parties Concerned with Physical Delivery of Gas Oil), Rule 4 (Maximum Quantity, etc. Concerning delivery of Gas Oil), Rule 8 (Method for Determining the Counterparty for Delivery Goods), Rule 9 (Delivery Method), Rule 25 (Methods Relevant to Delivery), Rule 26 (Emergency Measures), Rule 27 (Amendment to the Rules) and Rule 28 (Revision or Abolition) shall take effect as of May 8, 2017.

**Supplementary Provisions**

Revisions to Rule 8 (ADP) shall take effect as of June 22, 2017 and shall be applied to the delivery of July 2017 contract and subsequent contracts.

**Supplementary Provisions**

Revisions to Rule 6 (Weight of Delivery Goods) and Rule 10 (Quality Certification) shall take effect as of July 1, 2019.

**Supplementary Provisions**

Revisions to Rule 1 (Purpose), Rule 3 (Delivery Parties Concerned with Physical Delivery of Gas Oil), Rule 5 (Good Delivery Material), Rule 22 (Declared Delivery), Rule 23 (Customized Delivery), Rule 25 (Delivery on Request for Cash-settled Monthly Futures Transactions) and Rule 26 (Methods Relevant to Delivery) shall take effect as of September 17, 2019.

**Supplementary Provisions**

The revision shall take effect as of December 1, 2019.

**Supplementary Provisions**

The revision shall take effect as of July 27, 2020.

**Supplementary Provisions**

The revision shall take effect as of April 1, 2021.

**Supplementary Provisions**

Revisions shall take effect as of May 20, 2022 and shall be applied to the physical delivery of June 2022 contract and subsequent contracts.

**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 6-2. 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.