

**Market Rules**  
(As of April 13, 2026)

Tokyo Commodity Exchange, Inc.

**PART 1**  
**GENERAL PROVISIONS**

**Rule 1 (Purpose)**

1. These Rules shall, based on the provisions of Article 44, Paragraph 1 of the Articles of Incorporation, prescribe the matters necessary with regards to transactions and Trading Participants in the commodity markets operated by the Exchange (hereinafter referred to as “the Exchange markets”).

**Rule 2 (Interpretation)**

1. Parties to disputes involving the interpretation of these Rules or matters not expressed therein that require prompt action shall comply with the decision of the Exchange.

**Rule 3 (Detailed Rules)**

1. In addition to the provisions of these Rules, matters necessary for the administration of the Exchange markets shall be prescribed in the Market Management Detailed Rules applicable to each market.
2. In addition to the provisions of these Rules, matters necessary for the execution of transactions shall be prescribed in the System Trading Detailed Rules.
3. In addition to the provisions of these Rules, necessary matters concerning give-ups shall be prescribed in the Give-up Detailed Rules.
4. In addition to the provisions of these Rules, necessary matters concerning Off-floor Transactions shall be prescribed in the Off-floor Transactions Detailed Rules.
5. In addition to the provisions of these Rules, necessary matters concerning EFP transactions and EFS transactions shall be prescribed in the EFP and EFS Transactions Detailed Rules.
6. In addition to the provisions of these Rules, matters necessary for the determination of the Final Settlement Price of Cash-settled Futures Transactions of energy shall be prescribed in the Energy Final Settlement Price Determination Detailed Rules.
7. In addition to the provisions of these Rules, necessary matters concerning physical delivery in the Exchange markets shall be prescribed in the Delivery Detailed Rules applicable to each Exchange market. However, the matters related to ADP shall be prescribed in the ADP Detailed Rules.
8. In addition to the provisions of these Rules, necessary matters concerning Trading Participants shall be prescribed in the Detailed Rules for Trading Participant Enforcement.
9. In addition to the provisions of these Rules, necessary matters concerning trading fees and other related matters shall be prescribed in the Trading Fees Detailed Rules.
10. In addition to the provisions of these Rules, necessary matters concerning clearing and settlement of the trades done in the Exchange markets shall be prescribed in the Clearing and Settlement Rules.
11. In addition to the provisions of these Rules, necessary matters concerning Stop Loss

- transactions shall be prescribed in the Detailed Rules for Stop Loss Transactions.
12. In addition to the provisions of these Rules, necessary matters concerning the audit of Trading Participants shall be prescribed in the Detailed Rules for Audits on Trading Participants.
  13. In addition to the provisions of these rules, necessary matters concerning insider regulations for electricity in the Energy Market shall be prescribed in the Electricity Market Insider Trading Detailed Rules.
  14. In addition to the provisions of these Rules, necessary matters concerning the examination on trading activities in the Exchange markets shall be prescribed in the Detailed Rules for Examination of Details of Transactions on the Commodity Market.
  15. In addition to the provisions of these Rules, necessary matters concerning the trading supervision systems of Trading Participants shall be prescribed in the Detailed Rules on Trading Supervision Systems at Trading Participants to Prevent Unfair Trading.
  16. In addition to the provisions of these Rules, necessary matters concerning the order management systems of Trading Participants shall be prescribed in the Detailed Rules for Order Management Systems at Trading Participants.

## **PART 2 TRANSACTIONS IN THE EXCHANGE MARKETS**

### **Chapter 1 General Provisions**

#### **Rule 4 (Definition of Transactions)**

1. Transaction Types provided for shall be the items prescribed hereof and the “Futures Transactions” provided for in Article 2, Paragraph 3, Items 1 and 2 of the Commodity Derivatives Transaction Act (Act No.239 of 1950; hereinafter referred to as the “Act”) shall mean the transactions prescribed in items below.
  - (1) Physically Delivered Futures Transaction shall be a transaction whereby the trading parties agree to trade a commodity of a grade stipulated for Physically Delivered Futures Transactions in accordance with the provisions of these Rules (hereinafter referred to as “Standard Grade Materials”), which can be settled by either exchanging Good Delivery Material (as provided for in Rule 61) for its corresponding value on the delivery day, or by paying/receiving the price differential when offsetting the positions by resale or repurchase prior to the delivery day.
  - (2) Cash-settled Futures Transaction shall be a transaction whereby the trading parties conclude to trade a commodity stipulated for Cash-settled Futures Transactions in accordance with the provisions of these Rules, which can be settled by either paying/receiving the monies calculated from the difference between the agreed price thereof and the Settlement Price (as provided for in Rule 76), or by paying/receiving the price differential when offsetting the positions by resale or repurchase prior to the expiry.

### **Chapter 2 Opening, Closing and Suspension of Sessions**

#### **Rule 5 (Trading Sessions and Hours)**

1. The Trading Sessions and hours of the Exchange markets shall be as follows;
  - (1) Day Session
    - a. 8:45 am, Opening Auction (Opening Auction prescribed in Rule 20, Paragraph 2, Item 1. The same shall apply hereinafter).
    - b. From 8:45 am to 3:40 pm, Zaraba (Zaraba transaction prescribed in Rule 20,

- Paragraph 1; the same shall apply hereinafter).
- c. 3:45 pm, Closing Auction (Closing auction prescribed in Rule 20, Paragraph 2, Item 2. The same shall apply hereinafter).
- (2) Night Session
- a. 5:00 pm, Opening Auction.
  - b. From 5:00 pm to 5:55 am on the next calendar day, Zaraba.
  - c. 6:00 am on the next calendar day, Closing Auction.
2. Notwithstanding the provision of the Item 2 of the preceding paragraph, the trading hours of Night Session for electricity in the Energy Market shall be as below.
    - a. 4:30 pm, Opening Auction.
    - b. From 4:30 pm to 6:55 pm, Zaraba.
    - c. 7:00 pm, Closing Auction.
  3. The provisions of the preceding two paragraphs shall apply *mutatis mutandis* to the Trading Sessions and hours of the holiday trading (meaning holiday trading prescribed in Rule 8, Paragraph 2, Item 2).

### **Rule 6 (Acceptance of Orders)**

1. The Exchange shall accept orders placed through "Trading Participant Terminals", transaction terminals used by Trading Participant (within the Trading Participants as provided for in Rule 33, Paragraph 1, Clearing Participant prescribed in Article 2, Paragraph 19 of the Act (hereinafter referred to as a "Clearing Participant") or Non-Clearing Participant (meaning a Trading Participant without a Commodity Transaction Clearing Qualification (meaning the Commodity Transaction Clearing Qualification prescribed in the Japan Securities Clearing Corporation (hereinafter referred to as "JSCC") Business Rules on Business of Assuming Commodity Transaction Debts) at JSCC; the same shall apply hereinafter) who have Designated Clearing Participant as provided for in Rule 150; the same shall apply hereinafter in this part excluding Rule 33), from 8:00 am to 3:45 pm for the Day Session and from 4:45 pm to 6:00 am on the next calendar day for the Night Session (from 4:25 pm to 7:00 pm for the electricity in the Energy Market), and register the orders immediately in the trading systems that use computers, etc. set up by Osaka Exchange, Inc. (hereinafter referred to as "OSE") for the use of the Exchange (hereinafter referred to as "trading systems") in the sequence of their acceptance, unless otherwise provided for by the System Trading Detailed Rules.
2. Notwithstanding the provisions of the preceding paragraph, under unavoidable circumstances (e.g.: Trading Participant Terminal malfunctions, etc.) the Exchange may change the order acceptance period.
3. The provisions of the preceding two paragraphs shall apply *mutatis mutandis* to the order acceptance period of the holiday trading (meaning holiday trading prescribed in Rule 8, Paragraph 2, Item 2).

### **Rule 7 (Order Correction and Cancellation)**

1. Trading Participants may not cancel or modify their order at a time specified in the System Trading Detailed Rules.

### **Rule 8 (Business Days and Holidays)**

1. The Exchange business days shall be all days other than the following days, considered as holidays:
  - (1) Sundays;
  - (2) Saturdays;
  - (3) National holidays provided for in the National Holidays Act;
  - (4) January 1<sup>st</sup>;
  - (5) January 2<sup>nd</sup>;
  - (6) January 3<sup>rd</sup>; and
  - (7) December 31<sup>st</sup>.
2. There shall be no sessions of the Exchange markets (including Off-Floor Trading (meaning

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Off-floor Transactions specified in Rule 35, EFP Transactions specified in Rule 38, Paragraph 1, Item 1, EFS Transactions specified in Rule 38, Paragraph 1, Item 2, and Stop Loss Transactions specified in Rule 43); the same shall apply in this rule, the following rule, Rule 95, and Rule 97) on holidays; provided, however, the sessions provided in following items are excluded.

- (1) The Night Session on holiday which starts from the business day immediately preceding said holiday
- (2) The session on the day provided in each item of Paragraph 1 specified by the Exchange as the day eligible for holiday trading (hereinafter referred to as "holiday trading days"), excluding the holiday necessary to use for the purpose of largescale system replacement, etc. at Japan Exchange Group Inc. and its subsidiaries (including the Exchange) or consider that should be excluded from the point of view of risk management.
3. The Exchange shall announce the planned holiday trading days by the time prescribed in following items; provided, however, this shall not be applied to the case when deemed necessary by the Exchange.
  - (1) The planned holiday trading schedule  
By the end of February in a year prior to the year that planned holiday trading day belongs.
  - (2) The holiday trading days (from January to June)  
By the end of June in a year prior to the year that planned holiday trading day belongs.
  - (3) The holiday trading days (from July to December)  
By the end of December in a year prior to the year that planned holiday trading day belongs.
4. The Exchange may temporarily determine business days and/or holidays if the Exchange deems it necessary.
5. If the provisions of the preceding paragraph are applied, the Exchange shall notify accordingly Trading Participants in advance.

### **Rule 9 (Temporary Opening and Closing of Session)**

1. The Exchange may temporarily change the opening and closing hours of the sessions, temporarily suspend the whole or part of a session, or temporarily open the whole or part of a session if the Exchange deems it necessary.
2. If the provisions of the preceding paragraph are applied, the Exchange shall promptly notify Trading Participants accordingly.

### **Rule 10 (Temporary Halt of Session)**

1. The Exchange may temporarily halt a session in accordance with the provisions of the System Trading Detailed Rules if the Exchange deems it inappropriate to continue the session in view of sound market management.

## **Chapter 3 The Exchange Markets, Listed Products, Trading Periods, and Units**

### **Rule 11 (The Exchange Markets, Listed Products, etc.)**

1. The Exchange markets, the Listed Products and the Transaction types that the Exchange provides shall be the following

Exchange Market	Listed Products	Transaction Types
Energy Market	Energy	Physically Delivered Futures Transaction Cash-settled Futures Transaction
Chukyo-oil Market	Chukyo-oil	Physically Delivered Futures Transaction

2. Exchange listed commodity component products provided in Article 10, Paragraph 2, Item 1 of the Act under the Exchange markets stated in the previous item shall be the following;

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- (1) Gasoline, Kerosene, Gas Oil, Crude Oil, Electricity and Liquefied Natural Gas (hereinafter referred to as "LNG") for the Energy Market; and
- (2) Gasoline and Kerosene for Chukyo-oil Market.
3. The listing period for LNG in the Energy Market shall be 6 years from the date of listing; provided, however, the contract already launched before the date 6 years from the listing shall be able to continue to trade.

### Rule 12 (Underlying Products of Transactions)

1. The commodities and electricity listed for transaction in the markets of the Exchange shall be as follows.
  - (1) Energy Market: gasoline, kerosene, gas oil, crude oil, electricity and LNG; and
  - (2) Chukyo-oil Market: gasoline and kerosene.
2. The commodities and electricity eligible for holiday trading shall be the products listed in previous paragraph.
3. Notwithstanding the provision of previous paragraph, the product may be excluded from the scope of holiday trading if the Exchange deems that it is inappropriate to conduct holiday trading for reasons of administration of transactions or other unavoidable reasons.

### Rule 13 (Standard Grade Materials)

1. Standard Grade Materials shall be as follows:
  - (1) Energy:
    - a. Gasoline: regular gasoline that meets the quality standard of the Japan Industrial Standard K2202 Grade 2;
    - b. Kerosene: kerosene that meets the quality standard of the Japan Industrial Standard K2203 Grade 1; and
    - c. Gas oil: gas oil that meets the standard prescribed in Article 22, Paragraph 1 of the Ordinance for Enforcement of the Act on the Quality Control of Gasoline and Other Fuels (Ordinance of the Ministry of International Trade and Industry No 24 of 1977) and meets the quality standard of the Japan Industrial Standard K2204 for each type corresponding to each of the contracts as shown below.

Contracts	Grade
January through March, and December	No.2
April through May, October through November	No.1
June through September	Special No.1

- (2) Chukyo-oil:
  - a. Gasoline: regular gasoline that meets the quality standard of the Japan Industrial Standard K2202 Grade 2; and
  - b. Kerosene: kerosene that meets the quality standard of the Japan Industrial Standard K2203 Grade 1.

### Rule 14 (Underlying of Cash-settled Futures Transactions)

1. The underlying products of Cash-settled Futures Transactions shall be as follows:
  - (1) Middle East crude oil marked as the price of Dubai crude oil;
  - (2) Electricity – East Area (meaning Tokyo area of the regional service area of Organization for Cross-regional Coordination of Transmission Operations (hereinafter referred to as "OCCTO"); the same shall apply hereinafter) Baseload (meaning electricity of 100 kw output delivered within 00:00 – 24:00 from the first day to the last day of the calendar month; the same shall apply hereinafter): price of Electricity for Tokyo Area traded on the Japan Electric Power Exchange (hereinafter referred to as "JEPX") Spot Market;
  - (3) Electricity – East Area Peakload (meaning electricity of 100 kw output delivered within 08:00-20:00 from the first day to the last day of the Weekdays (meaning business days prescribed in Rule 8 excluding the days separately specified by the Exchange; the same shall apply hereinafter) of same month; the same shall apply hereinafter): price of Electricity for Tokyo Area traded on the JEPX Spot Market;
  - (4) Electricity – West Area (meaning Kansai area of the regional service area of OCCTO; the

- same shall apply hereinafter) Baseload: price of Electricity for Kansai Area traded on the JEPX Spot Market;
- (5) Electricity – West Area Peakload: price of Electricity for Kansai Area traded on the JEPX Spot Market;
  - (6) Electricity – Chubu Area (meaning the Chubu area of the regional service area of OCCTO; the same shall apply hereinafter) Baseload: price of Electricity for Chubu Area traded on the JEPX Spot Market;
  - (7) Electricity – Chubu Area Peakload: price of Electricity for Chubu Area traded on the JEPX Spot Market;
  - (8) Electricity – East Area Weekly Baseload (meaning electricity of 100 kw output delivered within midnight – midnight from calendar day Saturday to Friday of the following week; the same shall apply hereinafter): price of Electricity for Tokyo Area traded on the JEPX Spot Market;
  - (9) Electricity – East Area Weekly Peakload (meaning electricity of 100 kw output delivered within 8:00 am – 8:00 pm from Weekday Saturday to Friday of the following week; the same shall apply hereinafter): price of Electricity for Tokyo Area traded on the JEPX Spot Market;
  - (10) Electricity – West Area Weekly Baseload: price of Electricity for Kansai Area traded on the JEPX Spot Market;
  - (11) Electricity – West Area Weekly Peakload: price of Electricity for Kansai Area traded on the JEPX Spot Market;
  - (12) Electricity – East Area Fiscal Year Baseload (meaning electricity of 100 kw output delivered within midnight – midnight of each calendar day in the period from April 1 to March 31 of the following year (referred to as the "fiscal year" hereinafter through Rule 17); the same shall apply hereinafter): price of Electricity for Tokyo Area traded on the JEPX Spot Market;
  - (13) Electricity – East Area Fiscal Year Peakload (meaning electricity of 100 kw output delivered within 8:00 am – 8:00 pm of each Weekday in the fiscal year); the same shall apply hereinafter): price of Electricity for Tokyo Area traded on the JEPX Spot Market;
  - (14) Electricity – West Area Fiscal Year Baseload: price of Electricity for Kansai Area traded on the JEPX Spot Market;
  - (15) Electricity – West Area Fiscal Year Peakload: price of Electricity for Kansai Area traded on the JEPX Spot Market;
  - (16) Electricity – Chubu Area Fiscal Year Baseload: price of Electricity for Chubu Area traded on the JEPX Spot Market;
  - (17) Electricity – Chubu Area Fiscal Year Peakload: price of Electricity for Chubu Area traded on the JEPX Spot Market; and
  - (18) LNG – Spot LNG cargo delivered ex-ship to Japan and Korea.

**Rule 14-2 (Cascading of Positions in Fiscal Year Contracts Pertaining to Electricity Futures)**

1. In cases where a position in a cash-settled fiscal year futures contract whose underlier is a type of electricity prescribed in Items 12 through 17 of the preceding rule is not offset by resale or repurchase by the day three business days before the end of March in the fiscal year preceding the fiscal year of reference for the underlier of said cash-settled fiscal year futures contract (hereinafter referred to as the "contract-underlier fiscal year" in this rule and the following rule), then, effective from the business day following said day which is three business days before the end of March as set out above, each contract of said position shall be divided into the twelve monthly contracts specified in each of the following items according to the classification referred to in said item (such handling is hereinafter referred to as "cascading").
  - (1) Positions in cash-settled futures whose underlier is electricity prescribed in Item 12 of the preceding rule;  
Positions in twelve monthly contracts whose underlier is electricity prescribed in Item 2 of the same rule and which correspond to the same contract-underlier fiscal year
  - (2) Positions in cash-settled futures whose underlier is electricity prescribed in Item 13 of the preceding rule;  
Positions in twelve monthly contracts whose underlier is electricity prescribed in Item 3 of

- the same rule and which correspond to the same contract-underlier fiscal year
- (3) Positions in cash-settled futures whose underlier is electricity prescribed in Item 14 of the preceding rule;  
Positions in twelve monthly contracts whose underlier is electricity prescribed in Item 4 of the same rule and which correspond to the same contract-underlier fiscal year
  - (4) Positions in cash-settled futures whose underlier is electricity prescribed in Item 15 of the preceding rule;  
Positions in twelve monthly contracts whose underlier is electricity prescribed in Item 5 of the same rule and which correspond to the same contract-underlier fiscal year
  - (5) Positions in cash-settled futures whose underlier is electricity prescribed in Item 16 of the preceding rule;  
Positions in twelve monthly contracts whose underlier is electricity prescribed in Item 6 of the same rule and which correspond to the same contract-underlier fiscal year
  - (6) Positions in cash-settled futures whose underlier is electricity prescribed in Item 17 of the preceding rule;  
Positions in twelve monthly contracts whose underlier is electricity prescribed in Item 7 of the same rule and which correspond to the same contract-underlier fiscal year

### **Rule 15 (Last Trading Day of the Nearest Contract)**

1. The last trading day of the nearest contract for Physically Delivered Futures Transactions shall be the following days (to be moved up if the day falls on a holiday), and the trading on these days for the nearest contract shall end at the close of the Day Session:
  - (1) Energy: 25th day of the month immediately preceding the month in which the nearest contract falls for gasoline, kerosene and gas oil; and
  - (2) Chukyo-oil: 25th day of the month immediately preceding the month in which the nearest contract falls.
2. The last trading day of the nearest contract for Cash-settled Futures Transactions shall be as follows and trading shall end at the close of the Day Session:
  - (1) Crude oil: The last business day of the month containing the nearest contract;
  - (2) East Area Baseload Electricity: The business day before the last day of the month containing the nearest contract;
  - (3) East Area Peakload Electricity: The business day before the last Weekday of the month containing the nearest contract;
  - (4) West Area Baseload Electricity: The business day before the last day of the month containing the nearest contract;
  - (5) West Area Peakload Electricity: The business day before the last Weekday of the month containing the nearest contract;
  - (6) Chubu Area Baseload Electricity: The business day before the last day of the month containing the nearest contract;
  - (7) Chubu Area Peakload Electricity: The business day before the last Weekday of the month containing the nearest contract;
  - (8) East Area Weekly Baseload Electricity: The business day before Friday of every week
  - (9) East Area Weekly Peakload Electricity: The business day before Friday (to be moved up if the day is not a Weekday; the same shall apply in Item 9) of every week
  - (10) West Area Weekly Baseload Electricity: The business day before Friday of every week
  - (11) West Area Weekly Peakload Electricity: The business day before Friday of every week
  - (12) East Area Fiscal Year Baseload Electricity: Before the cascading, the day three business days before the end of March of the fiscal year preceding the contract-underlier fiscal year; after the cascading, the provisions of Item 2 shall apply mutatis mutandis.
  - (13) East Area Fiscal Year Peakload Electricity: Before the cascading, the day three business days before the end of March of the fiscal year preceding the contract-underlier fiscal year; after the cascading, the provisions of Item 3 shall apply mutatis mutandis.
  - (14) West Area Fiscal Year Baseload Electricity: Before the cascading, the day three business days before the end of March of the fiscal year preceding the contract-underlier fiscal year; after the cascading, the provisions of Item 4 shall apply mutatis mutandis.
  - (15) West Area Fiscal Year Peakload Electricity: Before the cascading, the day three business days before the end of March of the fiscal year preceding the contract-underlier fiscal year; after the cascading, the provisions of Item 5 shall apply mutatis mutandis.

- (16) Chubu Area Fiscal Year Baseload Electricity: Before the cascading, the day three business days before the end of March of the fiscal year preceding the contract-underlier fiscal year; after the cascading, the provisions of Item 6 shall apply mutatis mutandis.
  - (17) Chubu Area Fiscal Year Peakload Electricity: Before the cascading, the day three business days before the end of March of the fiscal year preceding the contract-underlier fiscal year; after the cascading, the provisions of Item 7 shall apply mutatis mutandis.
  - (18) LNG: The 15<sup>th</sup> day of the month immediately preceding the month in which the nearest contract falls (to be moved up if the day falls on a holiday).
3. The Exchange may temporarily change the last trading day of the nearest contract if the Exchange deems it necessary.
  4. If the provisions of the preceding paragraph are applied, the Exchange shall notify the Trading Participants in advance.

#### **Rule 16 (First Trading Day, etc.)**

1. The first trading day of a new contract (meaning a newly created contract; the same shall apply hereinafter) of Physically Delivered Futures Transactions shall be the business day immediately following the last trading day of the nearest contract, and the trading for the new contract starts at the opening of the Day Session of said day.
2. The first trading day of a new contract for Cash-settled Futures Transactions shall be the day specified in the following items, and trading for the new contract starts at the opening of the Day Session.
  - (1) Crude Oil, East Area Baseload Electricity, East Area Peakload Electricity, West Area Baseload Electricity, West Area Peakload Electricity, Chubu Area Baseload Electricity, Chubu Area Peakload Electricity, East Area Weekly Baseload Electricity, East Area Weekly Peakload Electricity, West Area Weekly Baseload Electricity, West Area Weekly Peakload Electricity, and LNG: the business day after the Last Trading Day;
  - (2) East Area Fiscal Year Baseload Electricity, East Area Fiscal Year Peakload Electricity, West Area Fiscal Year Baseload Electricity, West Area Fiscal Year Peakload Electricity, Chubu Area Fiscal Year Baseload Electricity, and Chubu Area Fiscal Year Peakload Electricity: April 1 of every year (to be moved down if the day falls on a non-business day).
3. The Exchange may temporarily change the first trading day if the Exchange deems it necessary.
4. If the provisions of the preceding paragraph are applied, the Exchange shall notify the Trading Participants in advance.

#### **Rule 17 (Trading Periods)**

1. Transactions on the Exchange markets shall be carried out separated by transaction type and listed commodity component product (for electricity, the underlying products of Cash-Settled Futures Transactions prescribed in Rule 14), and by contract as divided according to the trading periods specified in Paragraphs 2 through 4.
2. The trading periods for Physically Delivered Futures Transactions shall be as follows:
  - (1) Energy: For gasoline, kerosene and gas oil: trading shall consist of 6 consecutive monthly contracts and the trading period for a new contract shall be the 6-month period starting from 2 months after the month containing the first trading day of said contract; and
  - (2) Chukyo-oil: trading shall consist of 6 consecutive monthly contracts and the trading period for a new contract shall be the 6-month period starting from 2 months after the month containing the first trading day of said contract.
3. The trading periods for Cash-settled Futures Transactions shall be as follows:
  - (1) For crude oil, trading shall consist of 15 consecutive monthly contracts and the trading period for a new contract shall be the 15-month period starting from the month containing the first trading day of said contract;
  - (2) For East Area Baseload Electricity, trading shall consist of 24 consecutive monthly contracts and the trading period for a new contract shall be the 24-month period starting from one month after the month containing the first trading day of said contract. However, when the last trading day of an expiring contract is the last business day of the month containing the nearest contract, trading shall consist of 24 contracts and the trading period

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- for the new contract shall be the 24-month period starting from the month containing the first trading day of said contract;
- (3) For East Area Peakload Electricity, trading shall consist of 24 consecutive monthly contracts and the trading period for a new contract shall be the 24-month period starting from one month after the month containing the first trading day of said contract;
  - (4) For West Area Baseload Electricity, trading shall consist of 24 consecutive monthly contracts and the trading period for a new contract shall be the 24-month period starting from one month after the month containing the first trading day of said contract. However, when the last trading day of an expiring contract is the last business day of the month containing the nearest contract, trading shall consist of 24 contracts and the trading period for the new contract shall be the 24-month period starting from the month containing the first trading day of said contract;
  - (5) For West Area Peakload Electricity, trading shall consist of 24 consecutive monthly contracts and the trading period for a new contract shall be the 24-month period starting from one month after the month containing the first trading day of said contract.
  - (6) For Chubu Area Baseload Electricity, trading shall consist of 24 consecutive monthly contracts and the trading period for a new contract shall be the 24-month period starting from one month after the month containing the first trading day of said contract. However, in cases where the last trading day of an expiring contract is the last business day of the month containing the nearest contract, trading shall consist of 24 contracts and the trading period for the new contract shall be the 24-month period starting from the month containing the first trading day of said contract;
  - (7) For Chubu Area Peakload Electricity, trading shall consist of 24 consecutive monthly contracts and the trading period for a new contract shall be the 24-month period starting from one month after the month containing the first trading day of said contract;
  - (8) For East Area Weekly Baseload Electricity, trading shall consist of 5 consecutive weekly contracts and the trading period for a new contract shall be the 5-week period starting from one week after the week containing the first trading day of said contract. However, in cases where the last trading day of an expiring contract is the last business day of the week containing said last trading day (excluding the cases where the first trading day falls on the last business day of the week one week after said week), trading shall consist of 5 contracts and the trading period for the new contract shall be the 5-week period starting from the week containing the first trading day of said contract;
  - (9) For East Area Weekly Peakload Electricity, trading shall consist of 5 consecutive weekly contracts and the trading period for a new contract shall be the 5-week period starting from one week after the week containing the first trading day of said contract. However, in cases where there is a week that has no Weekdays from Saturday to Friday of the following week, said week shall not be included in the 5-week period, and no contract shall be available for trading whose last trading day is included in said week.
  - (10) For West Area Weekly Baseload Electricity, trading shall consist of 5 consecutive weekly contracts and the trading period for a new contract shall be the 5-week period starting from one week after the week containing the first trading day of said contract. However, in cases where the last trading day of an expiring contract is the last business day of the week containing said last trading day (excluding the cases where the first trading day falls on the last business day of the week one week after said week), trading shall consist of 5 contracts and the trading period for the new contract shall be the 5-week period starting from the week containing the first trading day of said contract.
  - (11) For West Area Weekly Peakload Electricity, trading shall consist of 5 consecutive weekly contracts and the trading period for a new contract shall be the 5-week period starting from one week after the week containing the first trading day of said contract. However, in cases where there is a week that has no Weekdays from Saturday to Friday of the following week, said week shall not be included in the 5-week period, and no contract shall be available for trading whose last trading day is included in said week.
  - (12) For East Area Fiscal Year Baseload Electricity, trading shall consist of 2 consecutive yearly contracts and the trading period for a new contract shall be the two-year period following the fiscal year containing the first trading day of said contract.
  - (13) For East Area Fiscal Year Peakload Electricity, trading shall consist of 2 consecutive yearly contracts and the trading period for a new contract shall be the two-year period following

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- the fiscal year containing the first trading day of said contract.
- (14) For West Area Fiscal Year Baseload Electricity, trading shall consist of 2 consecutive yearly contracts and the trading period for a new contract shall be the two-year period following the fiscal year containing the first trading day of said contract.
  - (15) For West Area Fiscal Year Peakload Electricity, trading shall consist of 2 consecutive yearly contracts and the trading period for a new contract shall be the two-year period following the fiscal year containing the first trading day of said contract.
  - (16) For Chubu Area Fiscal Year Baseload Electricity, trading shall consist of 2 consecutive yearly contracts and the trading period for a new contract shall be the two-year period following the fiscal year containing the first trading day of said contract.
  - (17) For Chubu Area Fiscal Year Peakload Electricity, trading shall consist of 2 consecutive yearly contracts and the trading period for a new contract shall be the two-year period following the fiscal year containing the first trading day of said contract.
  - (18) For LNG, trading shall consist of 15 consecutive monthly contracts and the trading period for a new contract shall be the 15-month period starting from 2 months after the month containing the first trading day of said contract.
4. The Exchange may temporarily determine trading periods if the Exchange deems it necessary.
  5. If the provisions of the preceding paragraph are applied, the Exchange shall notify Trading Participants accordingly in advance.

**Rule 18 (Price Quotation Unit, Price Increments, Contract Unit and Delivery Unit)**

1. The Price Quotation Units, Price Increments, contract units and delivery units for Physically Delivered Futures Transactions shall be as follows, and the Contract Unit Multiplier and the Delivery Unit Multiplier mean the numerical value obtained by dividing Contract Units by Price Quotation Units and the numerical value obtained by dividing Delivery Units by Price Quotation Units, respectively:

Exchange Market	Listed Commodities Component Products	Price Quotation Unit	Price Increment	Contract Unit	Delivery Unit
Energy	Gasoline	1 kl	¥10	50 kl	100 kl
	Kerosene	1 kl	¥10	50 kl	100 kl
	Gas Oil	1 kl	¥10	50 kl	100 kl
Chukyo -oil	Gasoline	1 kl	¥10	10 kl	
	Kerosene	1 kl	¥10	10 kl	

2. The Price Quotation Units, Price Increments, and Contract Units for Cash-settled Futures Transactions shall be as follows and the Contract Unit Multiplier shall be the numerical value obtained by dividing Contract Unit by Price Quotation Unit:

- (1) Crude Oil

Price Quotation Unit	Price Increment	Contract Unit
1 kl	¥10	50 kl

- (2) East Area Baseload Electricity

Price Quotation Unit	Price Increment	Contract Unit
1 kWh	¥0.01	No. of calendar days in month x 24 hours x 100kWh

- (3) East Area Peakload Electricity

Price Quotation Unit	Price Increment	Contract Unit
1 kWh	¥0.01	No. of Weekdays in month x 12 hours x 100kWh

- (4) West Area Baseload Electricity

Reference Translation

	Price Quotation Unit	Price Increment	Contract Unit
	1 kWh	¥0.01	No. of calendar days in month x 24 hours x 100kWh
(5) West Area Peakload Electricity			
	Price Quotation Unit	Price Increment	Contract Unit
	1 kWh	¥0.01	No. of Weekdays in month x 12 hours x 100kWh
(6) Chubu Area Baseload Electricity			
	Price Quotation Unit	Price Increment	Contract Unit
	1 kWh	¥0.01	No. of calendar days in month x 24 hours x 100kWh
(7) Chubu Area Peakload Electricity			
	Price Quotation Unit	Price Increment	Contract Unit
	1 kWh	¥0.01	No. of Weekdays in month x 12 hours x 100kWh
(8) East Area Weekly Baseload Electricity			
	Price Quotation Unit	Price Increment	Contract Unit
	1 kWh	¥0.01	No. of calendar days from Saturday to Friday of the following week x 24 hours x 100kWh
(9) East Area Weekly Peakload Electricity			
	Price Quotation Unit	Price Increment	Contract Unit
	1 kWh	¥0.01	No. of Weekdays from Saturday to Friday of the following week x 12 hours x 100kWh
(10) West Area Weekly Baseload Electricity			
	Price Quotation Unit	Price Increment	Contract Unit
	1 kWh	¥0.01	No. of calendar days from Saturday to Friday of the following week x 24 hours x 100kWh
(11) West Area Weekly Peakload Electricity			
	Price Quotation Unit	Price Increment	Contract Unit
	1 kWh	¥0.01	No. of Weekdays from Saturday to Friday of the following week x 12 hours x 100kWh
(12) East Area Fiscal Year Baseload Electricity			
	Price Quotation Unit	Price Increment	Contract Unit
	1 kWh	¥0.01	No. of calendar days in fiscal year x 24 hours x 100kWh
(13) East Area Fiscal Year Peakload Electricity			

## Reference Translation

Price Quotation Unit	Price Increment	Contract Unit
1 kWh	¥0.01	No. of Weekdays in fiscal year x 12 hours x 100kWh

### (14) West Area Fiscal Year Baseload Electricity

Price Quotation Unit	Price Increment	Contract Unit
1 kWh	¥0.01	No. of calendar days in fiscal year x 24 hours x 100kWh

### (15) West Area Fiscal Year Peakload Electricity

Price Quotation Unit	Price Increment	Contract Unit
1 kWh	¥0.01	No. of Weekdays in fiscal year x 12 hours x 100kWh

### (16) Chubu Area Fiscal Year Baseload Electricity

Price Quotation Unit	Price Increment	Contract Unit
1 kWh	¥0.01	No. of calendar days in fiscal year x 24 hours x 100kWh

### (17) Chubu Area Fiscal Year Peakload Electricity

Price Quotation Unit	Price Increment	Contract Unit
1 kWh	¥0.01	No. of Weekdays in fiscal year x 12 hours x 100kWh

### (18) LNG

Price Quotation Unit	Price Increment	Contract Unit
1 mmBtu	¥1	1,000mmBtu

3. Notwithstanding the provisions of the preceding two paragraphs, the Price Increments of the Off-floor Transaction, EFP transaction and EFS transaction shall be prescribed in each Detailed Rules.

## **Chapter 4 Trade Execution and Restrictions**

### **Rule 19 (Method of Trade Execution)**

1. Transactions in the Exchange markets shall, in principle, be executed through Individual Auction on the trading systems (hereinafter referred to as "System Trading"), and Trading Participants are required to execute transactions by inputting relevant matters prescribed in the System Trading Detailed Rules through the Trading Participant Terminal.
2. Trading Participants shall appoint one of their directors or employees in a managing position in charge of the trading operations in the TOCOM market as an operation manager for the Exchange and notify the Exchange of the appointment in writing.

### **Rule 20 (Individual Auction)**

1. Individual Auction with multi-execution method (hereinafter referred to as "Zaraba") shall be carried out through competitions among sell orders or buy orders, or between sell orders and buy orders with reference to the priority of orders prescribed in Rule 20, by matching each order individually to an execution price which shall be determined by a certain price at which the lowest offer and the highest bid are matched.
2. Individual Auction with single-execution method (hereinafter referred to as "Ita-Awase") set

forth in each of the following items shall be carried out through competitions among sell orders or buy orders, or between sell orders and buy orders with reference to the priority of orders prescribed in Rule 20, by matching each order at one single price that maximize the total volume of sell orders and buy orders which falling between one tick higher than the highest price that order exist and one tick lower than the lowest price that order exist.

- (1) Opening Auction (meaning the auction at the beginning of trade session. Same shall apply hereinafter).
  - (2) Closing Auction (meaning the auction at the end of trade session. Same shall apply hereinafter).
  - (3) Opening Auction after temporarily suspended session or when the session is temporarily opened as prescribed in Rule 9, Rule 97, Rule 100 and Rule 101.
  - (4) Opening Auction after temporary halt of the session as prescribed in Rule 10.
3. For the purpose of applying the provisions of the preceding paragraph, if there are multiple prices that maximize the total volume of sell orders and buy orders, the execution price shall be determined in accordance with the provision provided in the System Trading Detailed Rules.

### **Rule 21 (Principles of Individual Auction)**

1. The priority of orders in the System Trading shall be provided for in each of the following items:
  - (1) The sell order with lower offer price shall take priority over other sell orders with higher offer prices, and the buy order with higher bid price shall take priority over other buy orders with lower bid prices;
  - (2) A market order (meaning a buy or sell order without indication of an execution price) shall take priority over other buy and sell orders in terms of price, and every market order shall receive the same priority; and
  - (3) If there are multiple orders with the same price or if there are multiple market orders, the order registered earlier shall take priority over other orders registered later based on the registration time on the trading systems.

### **Rule 21-2 (Strategy Transactions)**

1. A Trading Participant may carry out a transaction that simultaneously executes sales or purchases of multiple contracts or products (limited to sales and purchases for the same customer account or its own account) (hereinafter referred to as "strategy transactions") in the trading sessions.
2. Combinations of sales or purchases of contracts and products that result from executing strategy transactions shall be as prescribed in the System Trading Detailed Rules.

### **Rule 22 (Type of Orders)**

1. The type of orders in the System Trading shall be prescribed in the System Trading Detailed Rules.

### **Rule 23 (Distribution of Bids and Offers)**

1. The Exchange shall fully inform Trading Participants of the status of orders by distributing relevant information in accordance with the provisions of the System Trading Detailed Rules.

### **Rule 24 (Confirmation of Transaction)**

1. When an order is executed, the Exchange shall immediately notify the details through the electronic trading system to the Trading Participant who is a seller or buyer of such execution.
2. Upon receipt of notification of an order execution, Trading Participants shall immediately confirm the particulars of such notification.
3. Trading Participants who incurred damages as a result of failure to make confirmation provided for in the preceding paragraph by other Trading Participants who participated in the Individual Auction may report that effect to the Exchange without delay and demand indemnity from other Trading Participants.

4. In the event of delay or missing information of the notice prescribed in Paragraph 1 due to the operational trouble of the electronic trading system or other reasons, the Exchange shall notify again the contents to the Trading Participant who is a seller or buyer of such execution.

**Rule 25 deleted**

**Rule 26 (Transactions for Error Correction, etc.)**

1. In the event that a Broker Trading Participant is unable to execute a customer's order in accordance with the purport of consignment in the trading session of Exchange market due to errors, etc. by truly unavoidable reasons, such Broker Trading Participant may execute, in accordance with the provisions of System Trading Detailed Rules, with the prior approval of the Exchange, a sell or buy for its proprietary account as a counterparty to such transaction outside the auction trading at a price deemed reasonable by the Exchange.
2. The settlement of a sell or buy order in the preceding paragraph shall be made on the day that would be the settlement day if the sale or purchase had been executed in accordance with the purport of the consignment.

**Rule 27 (Transfer at the Time of a Breakdown of Trading Participant Terminals etc.)**

1. A Trading Participant who intends to request another Trading Participant to execute a transaction on its behalf due to unavoidable circumstances, such as a breakdown of its Trading Participant terminal, shall obtain approval from the Exchange in advance.
2. In cases where Trading Participant executed a transaction on behalf of other Trading Participants as an agent pursuant to the provision of previous paragraph, the Exchange may deem that a trade has been concluded by such other Trading Participants. In this case, Trading Participants shall make such request to the Exchange by 4:30 pm (or 4:15 pm for electricity in the Energy Market), unless they are under unavoidable circumstances, such as a breakdown of Trading Participant Terminals.
3. The trade concluded under the name of the Trading Participants who requested a transfer pursuant to the provisions of previous paragraph shall be voided upon such request, and the execution of trade identical to those of the voided trades shall be newly created as a transaction concluded under the name of the other Trading Participant to whom the trades are transferred.
4. In addition to the provisions provided in preceding 3 paragraphs, the necessary matters with regard to a transaction executed on behalf of other Trading Participant shall be determined by the Exchange.

**Rule 28 (Give-up)**

1. "Give-up" shall refer to the case where the whole or part of a trade concluded by a Trading Participant (hereinafter in this rule through Rule 32, referred to as the "Executing Trading Participants") is given up to another Trading Participant (hereinafter, in this rule through Rule 32, referred to as the "Clearing Trading Participants"), after said trade has been concluded in accordance with the provisions of Rule 20, Rule 26, Rule 35 and Rule 38 as a trade concluded by the Clearing Trading Participants (excluding cases provided for in the preceding rule).
2. The trade concluded under the name of the Executing Trading Participants, as provided for in the preceding paragraph, shall be voided provided that the Exchange receives a Take-up Application, as prescribed in Rule 30, and a new trade with terms identical to those of the voided trade is concluded under the name of the Clearing Trading Participants.
3. Trading Participants who intends to conduct Give-up provided for in Paragraph 1 shall satisfy the requirements prescribed in the Give-up Detailed Rules and conclude a give-up agreement between the Executing Trading Participant and the Clearing Trading Participant.

**Rule 29 (Give-up Application)**

1. The Executing Trading Participants may make an application for a Give-up (hereinafter

referred to as a "Give-up Application") with the Exchange by notifying the Exchange of the contents of the trade subject to the Give-up Application and the Clearing Trading Participants pertaining to the intended Give-up. Said application shall be made with the Exchange by the time provided for in the Give-up Detailed Rules of the trading day (trading day prescribed by JSCC; the same shall apply hereinafter) in which said trade executed.

2. Upon receipt of a Give-up Application, the Exchange shall notify the Clearing Trading Participants designated by the Executing Trading Participants of its contents.

### **Rule 30 (Take-up Application, etc.)**

1. The Clearing Trading Participants who received the Give-up Application notice provided for in Paragraph 2 of the preceding rule, shall notify the Exchange either of following intention by the time provided for in the Give-up Detailed Rules of the trading day in which said trade executed.
  - (1) an intention to accept the position pertaining to the Give-up Application notice (hereinafter referred to as a "Take-up Application")
  - (2) an intention to refuse the position pertaining to the Give-up Application notice (hereinafter referred to as a "Refusal of Take-up Application")
2. In the case where the Exchange does not receive an Application from Clearing Trading Participants by the time provided for in Paragraph 1, the Exchange shall be deemed to have received the Refusal of Take-up Application.
3. Upon receipt of Take-up Application or Refusal of Take-Up Application (include the case that the Exchange deems to have received Refusal of Take-up Application as provided in preceding paragraph or Paragraph 2 of the following rule) the Exchange shall notify Executing Trading Participants who submitted Give-up Application of the contents of the Application.

### **Rule 31 (Special Provisions for Give-up Applications, Take-up Applications and Refusal of Take-up Applications)**

1. Notwithstanding the provisions of Paragraph 1 of Rule 29 and Paragraph 1 of the preceding rule, the Executing Trading Participants and the Clearing Trading Participants may, subject to the approval of the Exchange, make Give-up Application, Take-up Application or Refusal of Take-up Application by the time provided for in the Give-up Detailed Rules of the third business day after the trading day in which the trade subject to said Give-up Application, Take-up Application or Refusal of Take-up Application executed.
2. Notwithstanding the provisions of the preceding paragraph, in cases where the period from the trading day in which the trade is executed to the last trading day of the nearest contract is less than 3 business days and if approved by the Exchange, the Executing Trading Participant and Clearing Trading Participant shall make a Give-up Application, Take-up Application or Refusal of Take-up Application no later than the time provided in the Give-up Detailed Rules on the business day after the trading day containing the last trading day of the nearest contract; provided, however that transactions specified by the Exchange shall be handled as separately specified by the Exchange.
3. In cases where the Exchange does not receive a Take-up Application or a Refusal of Take-up Application as provided for in the two preceding paragraphs by the time limit, the Exchange shall be deemed to have received a Refusal of Take-up Application from the Clearing Trading Participants.

### **Rule 32 (Cancellation of Give-up)**

1. The Executing Trading Participants and the Clearing Trading Participants may, subject to the approval of the Exchange, make an application for cancellation of a Give-up Application or a Take-up Application (hereinafter referred to as a "Give-up Application, etc."; the same shall apply hereinafter). In this case, said application shall be made by the Executing Trading Participants and the Clearing Trading Participants by the time provided for in the Give-up Detailed Rules of the third business day after the trading day in which the trade subject to said application for cancellation of a Give-up Application, etc. executed.
2. Notwithstanding the provisions of the preceding paragraph, in cases where the period from

the trading day in which the trade is executed to the last trading day of the nearest contract is less than 3 business days and if approved by the Exchange, the Executing Trading Participants and the Clearing Trading Participants shall apply for cancellation of Give-up Application, etc. to the Exchange by the time provided in the Give-up Transaction Detailed Rules of next business day after the trading day containing the last trading day of the nearest contract; provided, however that transactions specified by the Exchange shall be handled as separately specified by the Exchange.

3. Upon receipt of an application for cancellation of Give-up Application, etc., the Exchange shall notify the Executing Trading Participants and the Clearing Trading Participants to that effect.

### **Rule 33 (Restriction on Position or Transaction)**

1. The Exchange may, if deemed necessary, with respect to all or some contracts, impose on Trading Participants (meaning all-inclusive of the Trading Participant types provided for in each item of Rule 106; the same shall apply in this rule and in next chapter) restrictions set forth in each of the following items:
  - (1) Restrictions on the order volume or other type of order restrictions;
  - (2) Restrictions on the transaction volume or other type of transaction restrictions;
  - (3) Restrictions on net positions, meaning the difference between short positions (meaning positions for sale; the same shall apply hereinafter) and long positions (meaning positions for purchase; the same shall apply hereinafter), restrictions on the maximum number of total open positions, or other type of position restrictions; and
  - (4) Restrictions on accepting the consignment of the transaction from a customer provided for in Item 1 of the following paragraph or the request of the transaction from an Overseas Customer provided for in Item 2 of the following paragraph.
2. The Exchange may, if deemed necessary, with respect to all or some contracts, impose restrictions provided for in Items 1 through 3 of the preceding paragraph on those set forth in each of the following items (hereinafter referred to as "Customers, etc."):
  - (1) Customers;
  - (2) Those who request the transaction to Remote Broker Trading Participants (limited only to non-resident; "Overseas Customers");
  - (3) Those who consign the transaction to an entity that has been granted a license for Commodity Derivatives Business by the Regulating Minister pursuant to Article 190, Paragraph 1 of the Act (hereinafter referred to as a "Commodity Derivatives Broker") and accepts brokerage of consignment of transactions (hereinafter referred to as a "Broker") (hereinafter referred to as a "Customer of Broker"); and
  - (4) Those who request the transaction to an entity that has been granted a license in a foreign country for accepting consignment of transactions in commodity markets of the foreign country under the provisions of laws and regulations of the foreign country, which is equivalent to the license provided for in Article 190, Paragraph 1 of the Act (including registration and other administrative dispositions that are similar to such license), or a foreign entity equivalent thereto (hereinafter referred to as a "Foreign Commodity Derivatives Broker").
3. The Exchange may, in the case of imposing restrictions on orders provided for in the preceding two paragraphs, require a Trading Participant who placed an order exceeding the limits to cancel such excessive orders, or may, in the case of imposing restrictions on the maximum volume of the difference between short positions and long positions, or total open positions or other positions provided for in the preceding two paragraphs, require a Trading Participant who has caused the positions to exceed the limits to dispose of such excessive positions.
4. In the event that transactions in the TOCOM market fall under any of Item 1, the Exchange may impose restrictions or regulations pursuant to Item 2 if deemed necessary.
  - (1) Requirement
    - a. In the event that the Exchange deems the transaction has been, or is likely to be abnormal;

- b. In the event that the Exchange deems fair pricing or settlement of transactions has been, or is likely to be impaired by excessive buying or selling or other detrimental activities;
  - c. In the event that the Exchange deems the transaction is, or is likely to be the insider trading prescribed in Rule 92;
  - d. In the event that the Exchange deems electricity utility prescribed in Article 2, Paragraph 1, Item 17 of Electricity Business Act (Act No. 170 of 1964) (hereinafter referred to as an "Electricity Utility") failed to publish material facts prescribed in Rule 93 in appropriate way; or
  - e. Or otherwise, the Exchange deems it inappropriate to allow continued execution of transactions in view of supervision of the Exchange markets.
- (2) Restrictions or Regulations
- a. To impose restrictions on further orders or transactions of a Trading Participant who executed such transactions, or have said Trading Participant dispose of the relevant positions;
  - b. To impose restrictions on further orders or acceptance of transactions from the relevant customer by a Broker Trading Participant or have said Broker Trading Participant dispose of the relevant positions;
  - c. To impose restrictions on further orders or acceptance of brokerage of consignment of transactions from the relevant Customer of Broker by a Broker Trading Participant or have said Broker Trading Participant dispose of the relevant positions;
  - d. To impose restrictions on further orders or acceptance of requests of transactions from Overseas Customers by a Remote Broker Trading Participant or have said Remote Broker Trading Participant dispose of the relevant positions; or
  - e. To impose any other appropriate restrictions.
5. In the event that the Exchange recognizes or suspects that the any activities as provided for in Item 1 of the previous paragraph are being conducted on the TOCOM market, the Exchange may request Trading Participants to provide an explanation of such activities or submit relevant materials, and if deemed particularly necessary, the Exchange may also request customers, etc. to provide explanations or submit relevant materials.
6. In the event that customers, etc. concerned refuse to provide explanations or submit relevant materials as requested pursuant to the provisions of the preceding paragraph, the Exchange may have the Broker Trading Participant or the Remote Broker Trading Participant who accepted relevant orders from the customers, etc. impose restrictions on further acceptance of orders from such customers, etc., dispose of any relevant positions of such customers, etc. or may impose any other appropriate restrictions.
7. In the event that a Broker or a Foreign Commodity Derivatives Broker obliged to submit a position report to the Exchange pursuant to the provisions of the Market Management Detailed Rules applicable to each Market fails to do so, or in the event that the Exchange determines that such party has submitted a false report, the Exchange may have the Broker Trading Participant accepting orders from such Broker or Foreign Commodity Derivatives Broker limit all or part of transactions with such party.

#### **Rule 34 (Special Transactions)**

1. In cases falling under any of the following items, in the session of the TOCOM markets, a Broker Trading Participant or a Remote Broker Trading Participant may conclude contracts by acting as seller or buyer, at the same execution price, for the same contract and for the same volume notified during or after the session in the manner designated by the Exchange and approved by the Exchange:
- (1) Where a transaction is concluded by matching customer orders that could not be executed due to a breakdown of Trading Participant Terminals with other customer orders or the Trading Participant's proprietary orders at the price formed immediately after receiving the order from the customer; and
  - (2) Where it is deemed particularly necessary by the Exchange in addition to the case prescribed in the previous item.

2. In the event that the number of trade positions in nearest contract after the closing of day session on last trading day is not equal to the integral multiple of delivery unit, Trading Participants may apply to the Exchange and then conclude a contract at final settlement price of the nearest contract set by JSCC if approved by the Exchange.
3. If the trade positions prescribed in the preceding paragraph cannot be equal to the integral multiple of delivery unit by concluding contract within one Trading Participant, such Trading Participant may apply to the Exchange and then conclude a contract with other Trading Participant at final settlement price of the nearest contract set by JSCC if approved by the Exchange.
4. In the event that a Trading Participant could not off-set the trade positions by resale or repurchase by the last trading day of nearest contract due to the situation of the Exchange markets or others, and if such Trading Participant could not do the physical delivery of said positions but could agree with other Trading Participants to off-set such positions by the end of day session of the last trading day, a Trading Participant may apply to the Exchange and then conclude a contract with other Trading Participants at agreed price if approved by the Exchange.
5. The notification pursuant to the provisions of each of the preceding paragraphs shall be made by 4:30 p.m. (or 4:15 p.m. for electricity in the Energy Market) within such trading day, unless the Broker Trading Participant is under unavoidable circumstances, such as a breakdown of Trading Participant Terminals.

#### **Rule 35 (Off-floor Transactions)**

1. Off-floor Transaction is a transaction in which sell orders and buy orders with respect to Physically Delivered Futures Transactions or Cash-settled Futures Transactions are executed outside trading sessions at the same execution price, for the same contract and for the same volume.
2. The registration of an Off-floor Transaction shall be made through Trading Participant Terminals as provided for in the Off-floor Transactions Detailed Rules.
3. The above registration shall become effective only when the registration for sell or buy meets a corresponding registration.
4. The Exchange may cancel the Off-floor Transaction pursuant to Item 1 if it determines that such transaction is not appropriate.
5. Upon execution of registered Off-floor Transaction pursuant to Item 1 or cancelation of it pursuant to previous item, the Exchange shall immediately notify the details through the electronic trading system to Trading Participants who made a registration prescribed in Paragraph 2.
6. Upon receipt of the notice prescribed in previous paragraph, Trading Participant shall confirm immediately the details of such notice.
7. In the event of delay or missing information of the notice prescribed in Paragraph 5 due to the operational trouble of the electronic trading system or other reasons, the Exchange shall notify again the contents to Trading Participants who made a registration prescribed in Paragraph 2.

#### **Rule 36 (Suspension of Off-floor Transactions)**

1. Under circumstances falling under any of the following items, the Exchange may suspend all or part of Off-floor Transactions:
  - (1) Where the Exchange deems Off-floor Transactions to have been, or is likely to be abnormal, or the Exchange deems it inappropriate to allow continued execution of Off-floor Transactions, taking into consideration the Exchange market conditions;
  - (2) Where a session is temporarily suspended pursuant to the provisions of Rule 9; and
  - (3) Where otherwise deemed necessary by the Exchange.

#### **Rule 37 (Temporary Halt of Off-floor Transactions)**

1. The Exchange shall suspend the Off-floor Transactions of the Listed Commodity Component Product that the transactions have been suspended based on Rule 10 as prescribed in Rule

15, Paragraph 1, Item 3 of System Transactions Detailed Rules.

**Rule 38 (EFP Transactions and EFS Transactions)**

1. A Trading Participant may make application prescribed in Paragraph 3 by making a request for the transactions provided for in each of the following items to and obtaining approval provided for in Item 1 of next Paragraph from the Exchange beforehand, in accordance with the EFP and EFS Transactions Detailed Rules:
  - (1) A transaction to execute trades outside trading sessions by matching buy and sell orders placed on the Exchange at the same price, in the same contract and in the same volume, provided that the party who placed the order to buy is also the selling party to a contract for physical delivery transactions (including commodity ETF backed by physical commodities that are exchangeable with listed commodity component products prescribed in the EFP and EFS Transactions Detailed Rules; the same shall apply hereinafter) and the party who placed the order to sell is also the buying party to the same contract for physical delivery transactions with respect to Physically Delivered Futures Transactions or Cash-settled Futures Transactions (hereinafter referred to as "EFP Transaction"); and
  - (2) A transaction to execute trades outside trading sessions by matching buy and sell orders placed on the Exchange at the same price, in the same contract and in the same volume, provided that Trading Participants or customers, etc. who placed the order to buy is also the party who sold a fixed price under a contract to swap a fixed price and the corresponding fluctuating price relating to a contract for physical delivery transactions (hereinafter referred to as a "Swap Transaction") and Trading Participants or customers, etc. who placed the order to sell is also the party who bought a fixed price under the same contract for Swap Transaction with respect to Physically Delivered Futures Transactions or Cash-settled Futures Transactions (hereinafter referred to as "EFS Transaction").
2. Prior requests, prior approvals and other matters concerning EFP transactions or EFS transactions shall be conducted in the following manner:
  - (1) To do the EFP transactions, etc., Trading Participants shall submit to the Exchange a request and receive an approval beforehand as prescribed in the EFP and EFS Transactions Detailed Rules;
  - (2) Trading Participants who have made a request pursuant to the preceding item may not modify or cancel such request;
  - (3) If the Exchange determines that a request made pursuant to Item 1 constitutes no hindrance, the Exchange shall approve the request; and
  - (4) The Exchange shall notify the Trading Participant who made a request pursuant to Item 1 without delay of such request when it approved.
3. A Trading Participant, who obtained prior approval as described in the preceding paragraph, shall make a request for EFP transactions or EFS transactions using its Trading Participant terminal in accordance with the EFP and EFS Transactions Detailed Rules.
4. The request described in the preceding paragraph shall become effective only when a sell request or a purchase request meets a corresponding request.
5. The Exchange shall, when the request made under Paragraph 3 becomes effective, notify immediately the details through the electronic trading system to a Trading Participant who made such a request.
6. Upon receipt of the notice prescribed in previous paragraph, a Trading Participant shall immediately confirm the contents of such notice.
7. In the event of delay or missing information of the notice prescribed in Paragraph 5 due to the operational trouble of the electronic trading system or other reasons, the Exchange shall notify again the details to a Trading Participant who made a request prescribed in Paragraph 2.

**Rule 39 (Suspension of EFP Transactions and EFS Transactions)**

1. Under circumstances falling under any of the following items, the Exchange may suspend all or part of EFP Transactions and EFS Transactions:
  - (1) Where the Exchange deems EFP Transactions and EFS Transactions to have been, or

- is likely to be abnormal, or otherwise the Exchange deems it inappropriate to allow continued execution of EFP Transactions and EFS Transactions;
- (2) Where a session is temporarily suspended pursuant to the provisions of Rule 9; and
  - (3) Where otherwise deemed necessary by the Exchange.

**Rule 40. (Temporary Halt of EFP Transactions and EFS Transactions)**

1. The Exchange shall temporary halt the EFP Transactions and EFS Transactions of the Listed Commodity Component Product that the transactions have been suspended based on Rule 10 as prescribed in Rule 15, Paragraph 1, Item 3 of System Transactions Detailed Rules.

**Rule 41 and Rule 42** deleted

**Rule 43 (Stop Loss Transactions)**

1. Stop Loss Transaction shall mean a transaction to execute trades of Physically Delivered Futures Transactions or Cash-settled Futures Transactions outside trading sessions by matching a proprietary order of a Broker Trading Participant who has concluded a contract concerning Limited Loss Transactions (meaning transactions that do not involve any risk of incurring a loss that may arise from fluctuations pertaining to the Exchange market prices, etc. exceeding the amount of the Customer Clearing Margin, etc. (meaning the Customer Clearing Margin prescribed in the Brokerage Rules and other Clearing Margins determined by the Broker Trading Participant as necessary for such transactions, and limited to those that have been submitted in advance for the purpose of such transactions; the same shall apply hereinafter)) (hereinafter referred to as a "Limited Loss Transaction Contract") with a customer and a resale or repurchase order of said Customer at the same price, in the same contract and in the same volume in accordance with the provisions of the Limited Loss Transaction Contract, provided that said Broker Trading Participant has made a request for such transaction to the Exchange in advance.
2. The Limited Loss Transaction Contract prescribed in the preceding paragraph shall include the terms and conditions for Customer Clearing Margin, etc., Stop Loss Level Price (meaning a price corresponding to the amount of loss to be incurred by a customer if a customer transaction is settled or the proportion thereof to the Customer Clearing Margin, etc. at which a stop loss order (meaning a resale or repurchase order to be executed when the amount of loss to be incurred by a customer if a customer transaction is settled or the proportion thereof to the Customer Clearing Margin, etc. "Calculated Amount or Proportion of the Loss" has reached an amount agreed by said customer in advance; the same shall apply hereinafter) is executed; the same shall apply hereinafter), Maximum Stop Loss Level Price (meaning a price corresponding to the maximum Calculated Amount or Proportion of the Loss set for the execution of a stop loss order; the same shall apply hereinafter), and other matters that satisfy the requirements prescribed in the Detailed Rules for Stop Loss Transactions.
3. The Exchange shall prescribe in the Detailed Rules for Stop Loss Transactions the requirements for Customer Clearing Margin, etc., Stop Loss Level Price, and Maximum Stop Loss Level Price prescribed in the preceding paragraph in a manner to prevent the potential loss to be incurred by a customer from exceeding the Customer Clearing Margin, etc. in consideration of the historical price fluctuations, etc.
4. Requests and other matters concerning Stop Loss Transactions shall be conducted in the following manner:
  - (1) A Broker Trading Participant intending to make a request for such transaction shall submit the documents prescribed in the Detailed Rules for Stop Loss Transactions to the Exchange.
  - (2) A Stop Loss Transactions shall be executed when a stop loss order has expired in accordance with the terms and conditions of the Limited Loss Transaction Contract. The Broker Trading Participant who made a request prescribed in the preceding items may not amend or cancel said request.
  - (3) When the requested transaction is executed, the Exchange shall notify the Broker Trading Participant pertaining to the request to that effect without delay.

5. The provisions of the preceding four paragraphs excluding Item 3 of the preceding paragraph shall apply *mutatis mutandis* between the Customer of Broker and the Broker.

## **Chapter 5 Settlement of Transactions**

### **Rule 44 (Settlement of Transaction in the Exchange Markets)**

1. The Exchange shall designate JSCC as a commodity clearing organization (meaning those who were granted a license by the Regulating Minister to engage in the business of assuming commodity transaction debts prescribed in Article 167 of the Act; the same shall apply hereinafter) to conduct the business of assuming commodity transaction obligations for the transactions executed in commodity markets of the Exchange.
2. The settlement of transactions executed in commodity markets of the Exchange shall be made between a Clearing Participant and JSCC in accordance with the provisions of the Business Rules to Handle the Commodity Transaction Obligation Assumption Service (hereinafter referred to as the "Business Rules") of JSCC.
3. Matters concerning the settlement of transactions executed by a Non-Clearing Participant shall be carried out between the Non-Clearing Participant and the Clearing Participant to whom the Non-Clearing Participant has consigned the Commodity Clearing Transaction, in accordance with the provisions of Rule 150.

## **Chapter 6 Clearing of Futures Transactions**

### **Rule 45 (Settlement Price)**

1. The Settlement Price of Physically Delivered Futures Transactions and Cash-settled Futures Transactions shall be the price determined by JSCC.

### **Rule 46 (Execution Price Differential, Settlement Price Differential, and Strike Price Differential)**

1. For Physically Delivered Futures Transactions and Cash-settled Futures Transactions, the Execution Price Differential shall be the difference between the Settlement Price and the execution price for a given trading day multiplied by a Trading Unit Multiplier.
2. For Physically Delivered Futures Transactions and Cash-settled Futures Transactions, the Settlement Price Differential shall be the difference between the Settlement Price for a given trading day and the Settlement Price for the immediately preceding trading day multiplied by a Trading Unit Multiplier.

### **Rule 47 (Notification of Close-out Quantity, etc.)**

1. A Non-Clearing Participant shall, in respect of each contract for Physically Delivered Futures Transactions and Cash-settled Futures Transactions, notify a Designated Clearing Participant the close-out quantity (referring to the settlement quantity when the long position pursuant to consigning brokerage of consignment of Commodity Clearing Transaction (hereinafter referred to as a "Clearing Brokerage Long Position") and the short position pursuant to consigning brokerage of consignment of Commodity Clearing Transaction (hereinafter referred to as a "Clearing Brokerage Short Position") is held simultaneously in the same commodity and in the same contract, and all or a part of such position is settled (excluding the settlement through Offsetting Sale or Offsetting Purchase)) and the amount of Offsetting Sale or Offsetting Purchase pertaining to the relevant Clearing Brokerage Long Position or Clearing Brokerage Short Position, by each account separately managed by said Designated

Clearing Participant as set forth in Business Rules of JSCC, by the date and time specified by the Designated Clearing Participant, but no later than the settlement cutoff time prescribed by JSCC. Provided, however, this shall not be applied to the case when the Designated Clearing Participant is aware of the information which is to be notified, or if such Non-Clearing Participant has notified such information to JSCC in accordance with the provision prescribed by JSCC.

2. In cases where a Non-Clearing Participant notified the information provided in preceding paragraph, the Exchange shall receive the notification of the close-out quantity and the amount of Offsetting Sale and Offsetting Purchase from JSCC.

#### **Rule 48 (Position Reporting of Non-Clearing Participant)**

1. A Broker Trading Participant (including Remote Broker Trading Participant; the same shall apply hereinafter in this rule and Rule 49) who is a Non-Clearing Participant shall report to a Designated Clearing Participant the information of sell positions and buy positions of each contract of product for each omnibus account, by each customer (in cases when customer is a Broker, such Broker-customer) (including foreign customer; the same shall apply hereinafter in this rule and in Rule 49) or of unit voluntarily classified by said Broker Trading Participant for every trading day to the Designated Clearing Participant by the date and time specified by the Designated Clearing Participant. Provided, however, this shall not be applied to the case when the Designated Clearing Participant can obtain such information in each trading day.

#### **Rule 49 (Obligation to Report the Information Related to Transactions of Customers)**

1. In cases when a Designated Clearing Participant requires an information of the number of positions and other matters related to the transaction which deemed necessary by JSCC, in relation to the report prescribed in preceding rule to JSCC, a Broker Trading Participant who is a Non-Clearing Participant shall submit such information of its customers (in cases when customer is a Broker, such Broker-customer shall be included) in writing to said Designated Clearing Participant.

#### **Rule 50 (Receipt and Payment of Execution Price Differential and Settlement Price Differential)**

1. The Execution Price Differential and Settlement Price Differential shall be received and paid between a Designated Clearing Participant and a Non-Clearing Participant. In such cases, a paying Non-Clearing Participant shall deliver funds to the Designated Clearing Participant by the date and time specified by the Designated Clearing Participant, but no later than the settlement cutoff time prescribed in the Business Rules of JSCC.

### **Chapter 7 Clearing Margins**

#### **Rule 51 (Clearing Margins)**

1. Clearing Margins shall be deposited to JSCC to ensure the performance of a Clearing Participant's obligations to pay or deliver to JSCC, and the Non-Clearing Participant's obligations owed to a Clearing Participant with respect to the transactions in the TOCOM market.
2. Clearing Margins required to be deposited for transactions in the TOCOM market shall be as follows:
  - (1) Required amount of Clearing Margin means a margin deposited with JSCC in accordance with the Clearing Margins Rules prescribed by JSCC pursuant to the provisions of its Business Rules (hereinafter referred to as the "Margins Rules of JSCC") for outstanding positions in the TOCOM market; and

- (2) Delivery Clearing Margin means a margin deposited with JSCC for delivery position in the case of settlement by physical delivery in the TOCOM market pursuant to the provisions of Margin Rules of JSCC.

**Rule 52 (Type of Currencies)**

1. Clearing Margins, Customer Margins and Brokerage Margins may be paid or submitted in the form of foreign currencies specified in the Margin Rules of JSCC.
2. A Non-Clearing Participant may submit or deposit to Designated Clearing Participant in the form of foreign currencies with prior consent of such Designated Clearing Participant.

**Rule 53 (Substitute Securities)**

1. The Securities and Warehouse Receipts that can be deposited as Clearing Margins, Customer Margins and Brokerage Margins (hereinafter referred to as "Substitute Securities") shall be prescribed in the Margin Rules of JSCC.
2. In addition to the provision of preceding paragraph, the prior consent of Designated Clearing Participant shall be required for the matter related to how to submit or deposit the Substitute Securities.

**Rule 54 (Clearing Margins for Clearing Participants)**

1. Matters concerning Clearing Margins for transactions by Clearing Participants in the TOCOM market shall be subject to the Margins Rules of JSCC.

**Rule 55 (Submission of Clearing Margins for Proprietary Positions by Non-Clearing Participants)**

1. For proprietary positions and delivery positions, a Non-Clearing Participant shall submit with a Designated Clearing Participant an amount not less than the Clearing Margin Maintenance Amount for proprietary positions prescribed in the Margins Rules of JSCC. In such cases, said Clearing Margin may be submitted in the form of the Substitute Securities prescribed in the Margin Rules of JSCC.
2. Notwithstanding the provisions of the preceding paragraph, in case where a Non-Clearing Participant has concluded a contract with a "Bank, etc." (meaning a Bank, etc. provided for in Article 44, Paragraph 1 of the Ordinance for Enforcement of the Commodity Futures and Exchange Act (Ordinance of the Ministry of Agriculture, Forestry and Fisheries and the Ministry of Economy, Trade and Industry No. 3 of 2005; hereinafter referred to as the "Ordinance")) upon acceptance of Designated Clearing Participant and approval of JSCC pursuant to the provisions of Article 103, Paragraph 8 of the Act as applied *mutatis mutandis* in Article 179, Paragraph 8 thereof and has notified JSCC of the contract agreement, the Clearing House may grant a deferral of the deposit to be made by the Non-Clearing Participant within the amount specified by said contract in accordance with the provisions of the Margins Rules of JSCC.

**Rule 56 (Submission of Clearing Margins for Customer Positions by Non-Clearing Participants who are Broker Trading Participants)**

1. For customer positions and delivery positions, a Non-Clearing Participant who is a Broker Trading Participant (including Remote Broker Trading Participant; the same shall apply hereinafter in this chapter) (hereinafter in this rule referred to simply as "Non-Clearing Participants") shall submit to a Designated Clearing Participant the amount not less than the Clearing Margin Required Amount for customer (including Overseas Customer; the same shall apply hereinafter in this chapter) positions provided for in the following Paragraph.
2. The Clearing Margin Required Amount for customer positions shall be the aggregate amount of the Clearing Margin Required Amount for each customer of classified account prescribed in the Business Rules of JSCC (in cases where customers have been classified voluntary by a Broker Trading Participant, the aggregate amount of the Clearing Margin Required Amount

- for such classified unit; the same shall apply in Paragraph 7 and in Rule 59, Paragraph 4).
3. A Non-Clearing Participant, acting as the agent of the customer, shall submit to a Designated Clearing Participant the whole amount of Clearing Margins submitted by a customer.
  4. Notwithstanding the provisions of the preceding paragraph, during a period of four (4) business days from the day on which a customer submitted Clearing Margins, a Non-Clearing Participant may submit as Clearing Margins with a Designated Clearing Participant an amount not less than the sum of the amount of money submitted and the market value (meaning the market value determined by the Margin Rules of JSCC; the same shall apply hereinafter) of the Substitute Securities by said customer as Clearing Margins. In such cases, said Clearing Margins may be submitted in the form of Substitute Securities.
  5. In cases where a customer submits Customer Margin (meaning the money and Substitute Securities submitted to JSCC for its management by a Non-Clearing Participant through a Designated Clearing Participant acting as the agent of said Non-Clearing Participant, the amount of which is not less than the amount of the money and Substitute Securities submitted by the customer as such Customer Margin subject to prior written consent of the customer to submit such Customer Margin; the same shall apply hereinafter in this rule and Rule 59, Paragraphs 3 and 4), the Non-Clearing Participant shall submit with the Designated Clearing Participant an amount not less than the sum of the amount of money and the market value of the Substitute Securities submitted by the customer as the Customer Margin. In such case, said Clearing Margin may be submitted in the form of the Substitute Securities.
  6. Notwithstanding the provisions of the preceding paragraph, in cases where a Non-Clearing Participant has concluded a contract with a bank, etc. upon approval of the Regulating Minister pursuant to the provisions of Article 103, Paragraph 7 of the Act as applied *mutatis mutandis* in Article 179, Paragraph 7 thereof and has notified JSCC of the contract, JSCC may grant a deferral of the deposit to be made by the Non-Clearing Participant within the amount specified by said contract in accordance with the provisions of the Margins Rules of JSCC.
  7. For the purpose of applying the provisions of Paragraphs 3 through 6, if the sum of the amount of money and the appraised value of Substitute Securities determined by using the Substituting Price (meaning the Substituting Price prescribed by JSCC; the same shall apply hereinafter) submitted as Clearing Margin or Customer Margin by each customer with a Non-Clearing Participant is less than the Clearing Margin Required Amount for customer positions provided for in the Margins Rules of JSCC, the Non-Clearing Participant shall submit as Clearing Margin to the Designated Clearing Participant an amount of money not less than the difference between such Clearing Margin Maintenance Amount and the amount of Clearing Margin or Customer Margin submitted by said customers. In such cases, said Clearing Margin may be submitted in the form of Substitute Securities.

#### **Rule 57 (Special Rules for the Clearing Margin Submitted by the Broker)**

1. Notwithstanding the provisions of Rule 56, Paragraph 3, in cases where a Broker submitted Clearing Margin as the agent of its customer, the Non-Clearing Participant who is a Broker Trading Participant shall submit the whole amount to the Designated Clearing Participant as an agent of such customer of Broker.

#### **Rule 58 (Cutoff Time for Submission of Clearing Margins Applied to Non-Clearing Participants)**

1. The submission of Clearing Margins provided for in the preceding three rules shall be made with an explicit indication of the classification prescribed in the items, by the date and time specified by a Designated Clearing Participant, but no later than the submission cutoff time prescribed in the Margins Rules of JSCC.
  - (1) Clearing Margin for the proprietary of Non-Clearing Participant
  - (2) Clearing Margin for the customer of Non-Clearing Participant (direct deposit)
  - (3) Clearing Margin for the customer of Non-Clearing Participant (replacement deposit of Broker)
  - (4) Clearing Margin for the customer of Non-Clearing Participant (replacement deposit).

**Rule 59 (Maintenance of Clearing Margins by Non-Clearing Participants)**

1. In cases where the sum of the amount of money, the appraised value of Substitute Securities determined by using the Substituting Price and the amount of deferral of submission granted pursuant to the provisions of the Margins Rules of JSCC submitted as Clearing Margins for proprietary positions with a Designated Clearing Participant is less than the Clearing Margin Required Amount for proprietary positions provided for in the Margins Rules of JSCC, a Non-Clearing Participant shall additionally submit to the Designated Clearing Participant an amount of money not less than the amount of the shortfall as Clearing Margin for proprietary positions by the date and time specified by the Designated Clearing Participant, but no later than the submission cutoff time prescribed in the Margins Rules of JSCC. In such cases, said Clearing Margin may be submitted in the form of Substitute Securities.
2. In cases where the sum of the amount of money and the market value of Substitute Securities submitted as Clearing Margins for customer positions with a Designated Clearing Participant is less than the Clearing Margin Required Amount for customer positions for each account provided for in the Business Rules of JSCC, a Non-Clearing Participant who is a Broker Trading Participant shall additionally submit to the Designated Clearing Participant an amount of money not less than the amount of the shortfall by the date and time specified by the Designated Clearing Participant, but no later than the submission cutoff time prescribed in the Margins Rules of JSCC. In such cases, said Clearing Margin may be submitted in the form of Substitute Securities.
3. In cases where the sum of the amount of money and the market value of Substitute Securities submitted to a Designated Clearing Participant as Clearing Margin for the customer positions pursuant to the provisions of Paragraphs 3 through 6 of Rule 56 and Rule 57 is less than the sum of the amount of money and the market value of Substitute Securities submitted by the customer as Clearing Margin or Customer Margin, the Non-Clearing Participant who is a Broker Trading Participant shall additionally submit to the Designated Clearing Participant an amount of money not less than the amount of shortfall as Clearing Margin for customer positions by the date and time specified by the Designated Clearing Participant, but no later than the submission cutoff time prescribed in the Margins Rules of JSCC pursuant to the provisions of Paragraphs 3 through 6 of Rule 56 and Rule 57.
4. In cases where the sum of the amount of money and the appraised value of Substitute Securities determined by using the Substituting Price submitted as Clearing Margin or Customer Margin by each customer is less than the Clearing Margin Required Amount for customer positions prescribed in the Margins Rules of JSCC, a Non-Clearing Participant who is a Broker Trading Participant shall additionally submit with a Designated Clearing Participant the amount of money not less than an amount of the shortfall as Clearing Margin for customer positions by the date and time specified by the Designated Clearing Participant, but no later than the submission cutoff time prescribed in the Margins Rules of JSCC pursuant to the provisions of Rule 43, Paragraph 7.

**Chapter 8 Delivery and Final Settlement, etc.**

**Section 1 Delivery for Physically Delivered Futures Transactions**

**Rule 60 (Settlement by Physical Delivery)**

1. The settlement by physical delivery for Physically Delivered Futures Transactions shall be carried out by Clearing Participants and JSCC in a manner prescribed in the Delivery Detailed Rules applicable to each Market and the Business Rules of JSCC, in addition to the provisions of this section.
2. In the cases where the deliveries are carried out in a manner agreed by parties to the delivery, not conforming to the delivery conditions prescribed by the Exchange, as provided for in Rule 72 (hereinafter referred to as "ADP"), "the Delivery Detailed Rules applicable to

each Market” in previous paragraph shall be replaced with “the Delivery Detailed Rules applicable to each Market and the ADP Detailed Rules”.

3. In a case where a Non-Clearing Participant who is a counterparty to the physical delivery does not carry out delivery for its delivery positions which were supposed to be settled by physical delivery pursuant to the Paragraph 1, such Non-Clearing Participant shall follow the instructions given by JSCC to its Designated Clearing Participant.
4. In the case of the preceding paragraph, if a Non-Clearing Participant who is a counterparty to the physical delivery does not carry out the delivery on purpose, without any unavoidable reasons, the Exchange may, based on the provision of Rule 153, impose sanctions on such Non-Clearing Participant.
5. For settlement by physical delivery, a deliverer (meaning a selling customer if the transaction is based on consignment from the customer, or a selling Trading Participant if the transaction is made on its own account) may make a delivery only if it does so as 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 (No. 108 of 1988)).

#### **Rule 61 (Good Delivery Materials)**

1. Good Delivery Materials shall be designated by the Exchange for each Listed Commodity Component Product.

#### **Rule 62 (Delivery Points)**

1. The delivery points shall be as follows:
  - (1) For the Energy Market (excluding crude oil, electricity and LNG; the same shall apply hereinafter in this section), the delivery points shall be places designated by the Exchange among refineries or storage facilities (hereinafter referred to as “refineries and other facilities”) having marine shipment facilities located in Tokyo, Kanagawa and Chiba; and
  - (2) For the Chukyo-oil Market, the delivery points shall be places designated by the Exchange among storage facilities having overland shipment facilities located in Aichi.

#### **Rule 63 (Delivery Date and Time)**

1. Delivery date and time shall be within the period from the first day to the last day of the month in which the nearest contract falls.
2. The Exchange may temporarily determine delivery date and time if the Exchange deems it necessary.
3. If the provision of the preceding paragraph is applied, the Exchange shall notify the Trading Participants in advance.

#### **Rule 64 (Delivery Price)**

1. The delivery price shall be the final Settlement Price of the nearest contract as determined by JSCC.

#### **Rule 65 (Delivery Payment)**

1. In the case of the physical delivery of Standard Grade Material, the delivery payment shall be an amount calculated by multiplying the delivery price by the delivery volume (provided, however, that for gasoline, such amount shall include any gasoline tax and local gasoline tax applicable to said delivery volume and that for gas oil, such amount shall include any gas oil delivery tax applicable to said delivery volume) (any amount less than JPY 1 shall be rounded down).

#### **Rule 66 (Consumption Tax Applicable to Physical Delivery)**

1. Consumption tax (including local consumption tax; the same shall apply hereinafter) imposed

on physical delivery shall be the amount (any amount less than JPY 1 shall be rounded down) calculated using the delivery payment as the tax base.

**Rule 67 (Delivery Documents for Commodities to be Physically Delivered)**

1. Physical delivery in the Energy Market and the Chukyo-oil Market shall be carried out with a Shipping Request, Shipping Order, or other delivery documents prescribed by the Energy Delivery Detailed Rules or the Chukyo-oil Delivery Detailed Rules and issued by the seller, the refineries and other facilities provided for in Rule 62, Paragraph 1, Item 1 or the storage facilities provided for in Rule 62, Paragraph 1, Item 2 based on the instructions of the seller.

**Rule 68** deleted

**Rule 69 (Submission of Delivery Payment etc. for Customer Positions by Non-Clearing Participants who are Broker Trading Participants)**

1. If a customer submits money, securities, or other items for settlement by physical delivery (hereinafter referred to as "Delivery Payment etc." in this rule), the Non-Clearing Participant who is a Broker Trading Participant (including a Remote Broker Trading Participant: the same shall apply in this rule) shall, as an agent for the said customer (include the overseas customer; the same shall apply in this rule) submit the said Delivery Payment etc. to the Designated Clearing Participant by the time specified by the Designated Clearing Participant but no later than the cutoff time prescribed by JSCC.

**Rule 70 (Declared Delivery)**

1. Trading Participants holding outstanding positions for the nearest contract may make physical delivery for these positions, in whole or in part, earlier than the delivery day provided for in Rule 63 (hereinafter referred to as "Declared Delivery" in this rule).
2. Notwithstanding the provisions of Rules 61 through 64, Declared Delivery provided for in the preceding paragraph may be made.

**Rule 71 (Customized Delivery)**

1. Trading Participants carrying out physical delivery may negotiate the terms of delivery between themselves within the period prescribed by the Delivery Detailed Rules and upon agreement, the delivery may be made between such Trading Participants (hereinafter referred to as "Customized Delivery").
2. Notwithstanding the provisions of Rules 61 and 62, Customized Delivery provided for in the preceding paragraph may be made.

**Rule 72 (ADP)**

1. Trading Participants who intend to carry out ADP shall apply for it to the Exchange within the period prescribed by the Delivery Detailed Rules of each Market. ADP may be carried out in a manner prescribed by the ADP Detailed Rules upon approval from the Exchange.
2. ADP prescribed in previous paragraph shall be deemed to be delivered upon approval from the Exchange.

**Rule 73 (Settlement by Physical Delivery of Gas Oil)**

1. Parties permitted to settle gas oil positions by physical delivery shall be limited to those prescribed by the Energy Delivery Detailed Rules.

**Rule 74 (Notification Concerning Physical Delivery of Gas Oil)**

1. The Exchange may notify the Ministry of Internal Affairs and Communications, metropolitan

and prefectural governments and the Ministry of Economy, Trade and Industry, upon their requests, of the details of the physical delivery of gas oil, including the names of the Trading Participants and customers who are concerned with such delivery, and the delivery point.

## **Section 2 Final Settlement for Cash-settled Futures Transactions**

### **Rule 75 (Final Settlement Day)**

1. The final settlement day for Cash-settled Futures Transactions shall be as follows.
  - (1) Crude Oil, East Area Weekly Baseload Electricity, East Area Weekly Peakload Electricity, West Area Weekly Baseload Electricity, West Area Weekly Peakload Electricity, and LNG: the business day after the last trading day of the nearest contract (or the contract that is in the nearest week for East Area Weekly Baseload Electricity, East Area Weekly Peakload Electricity, West Area Weekly Baseload Electricity, and West Area Weekly Peakload Electricity);
  - (2) East Area Baseload Electricity, East Area Peakload Electricity, West Area Baseload Electricity, West Area Peakload Electricity, Chubu Area Baseload Electricity, and Chubu Area Peakload Electricity: the first business day of the month after the month containing the last trading day of the nearest contract.
  - (3) The provisions of the preceding item shall apply mutatis mutandis to the final settlement day for positions in East Area Fiscal Year Baseload Electricity, East Area Fiscal Year Peakload Electricity, West Area Fiscal Year Baseload Electricity, West Area Fiscal Year Peakload Electricity, Chubu Area Fiscal Year Baseload Electricity, and Chubu Area Fiscal Year Peakload Electricity that are treated as positions in twelve monthly contracts due to cascading prescribed in each item of Rule 14-2.
2. The Exchange may temporarily change the final settlement day if the Exchange deems it necessary.
3. If the provisions of the preceding paragraph are applied, the Exchange shall notify the Trading Participants in advance.

### **Rule 76 (Final Settlement Price)**

1. The Final Settlement Price of the listed commodity component products in Energy market enumerated in each of the following items shall be calculated in accordance with the Energy Final Settlement Price Determination Detailed rules and the Exchange shall notify JSCC of such price.
  - (1) Crude oil;
  - (2) Electricity; and
  - (3) LNG.

### **Rule 77 (Settlement Method for Positions)**

1. For any nearest contract positions, at the close of the Session of the Last Trading Day, contracts for sale or purchase shall be settled at the Final Settlement Price provided for in the preceding rule as of the final settlement day provided for in Rule 75.

### **Rule 78 (Payment for Final Settlement)**

1. If the Final Settlement Price is different from the settlement price of last trading day in the cash-settled futures contract, Non-Clearing Participant shall pay to or receive from the Designated Clearing Participant the difference on the final settlement day. In such cases, Non-Clearing Participant shall pay or receive such difference by the time specified by the Designated Clearing Participant no later than the cutoff time prescribed by JSCC.

**Rule 79** deleted

**Section 3** deleted

**Rule 80** deleted

**Rule 81** deleted

**Rule 82** deleted

**Section 4 Measures in the Case of Abolishment, Temporary Halt, etc., of Market, etc.**

**Rule 83 (Settlement Method)**

1. In the case where the Exchange has decided to abolish or temporarily halt the trading of a Listed Product, abolish or change the Transaction Types, or change the trading periods, the Exchange shall designate the effective date of such abolishment, temporary halt, or change and all positions outstanding at the close of the Day Session on said effective date (excluding those pertaining to the nearest contract if said effective date falls on last trading day of the nearest contract) shall be settled at the Settlement Price by offsetting resale or repurchase.

**Chapter 9 Transfer of Positions, etc.**

**Rule 84 (Transfer of Positions)**

1. A Trading Participant may transfer (hereinafter referred to as "Transfer of Positions") the proprietary positions (excluding the positions on the next trading day of trading day of the Last Trading Day; the same shall apply hereinafter in this chapter) and the customer positions to other Trading Participants.

**Rule 85 (Transfer of Positions of Clearing Participants)**

1. The positions of Clearing Participants in futures transaction shall be handled in a manner prescribed in the Business Rules of JSCC.

**Rule 86 (Transfer of Positions of Non-Clearing Participants)**

1. Non-Clearing participant who intend to transfer its positions shall obtain an agreement on transfer of positions from the Designated Clearing Participant and notify such Designated Clearing Participant of information such as the volume of positions to be transferred for each commodity and each contract and the name of accepting Trading Participant by the date and time specified by the Designated Clearing Participant.
2. For cases provided for in the preceding paragraph, the Non-Clearing Participant shall obtain an agreement on transfer of positions from the accepting Trading Participant and notify such accepting Trading Participant of information such as the volume of the positions to be transferred and the name of its Designated Clearing Participant by the date and time specified by the accepting Trading Participant.
3. For cases provided for in the preceding paragraph, if the accepting Trading Participant is a Non-Clearing Participant, such accepting Trading Participant shall obtain an agreement on transfer of positions from its Designated Clearing Participant and notify such Designated Clearing Participant of information provided in accordance with the preceding paragraph by

the date and time specified by the Designated Clearing Participant.

**Rule 87 (Completion of Transfer of Positions)**

1. For cases provided for in the preceding rule, the transfer of positions shall be completed upon approval of JSCC.
2. Transfer of Positions for futures transaction shall be made with the price specified by the Exchange.

**Rule 88 (Orderly Disposition of Positions)**

1. A Designated Clearing Participant, who is a Trading Participant, may, upon notifying the Exchange of intent to transfer the positions of customer, provided that there is a special provision in the Clearing Agreement and the case falls under the provision, and upon obtaining its approval, carry out the procedure set forth in each of the following items to liquidate the customer positions:
  - (1) Exchange or other Trading Participants designated by Exchange to offset the said positions by resale or repurchase on behalf of said Non-Clearing Participant; and
  - (2) Other Trading Participants designated by said Designated Clearing Participant to accept the positions of a Non-Clearing Participant at a price agreed between said Designated Clearing Participant and said other Trading Participants and offset the positions by resale or repurchase.
2. A Broker Trading Participant may, upon notifying the Exchange, provided that there is a special agreement with a customer and the case falls under the provision, and obtaining approval from the Exchange, let other Trading Participant accept the positions of a customer at a price agreed between the Broker Trading Participant and the other Trading Participant and offsets the positions by resale or repurchase.
3. The provisions of Rule 27 shall apply *mutatis mutandis* to the transfer of the name of positions from Non-Clearing Participant to other Trading Participants who shall trade on behalf of said Non-Clearing Participant as prescribed in Item 1 of Paragraph 1.

**Rule 89 (Notification Concerning Disposition of Positions)**

1. Upon disposing positions pursuant to the provisions of the preceding rule, the Exchange shall notify JSCC of the details thereof without delay.

**Chapter 10 Measures in the Case of Default**

**Rule 90 (Default Procedure)**

1. In the event that a Trading Participant who is a Clearing Participant becomes a defaulting person under Rule 157, Paragraph 1 (including cases in which such provisions are applied pursuant to the provisions of Paragraphs 2 and 3 of the same Rule), all the positions held by such Trading Participants at the time of default shall be settled by the Exchange in a manner prescribed in this chapter and in the Business Rules of JSCC.
2. In the event that a Trading Participant who is a Non-Clearing Participant becomes a defaulting person under Rule 157, Paragraph 1 (including cases in which such provisions are applied pursuant to the provisions of Paragraphs 2 and 3 of the same Rule and Rule 158), the Exchange shall settle all the positions held by such Trading Participants at the time of default in a manner prescribed by the Exchange.
3. In the event that the positions of customers have been determined as the Early Termination Allocated Positions or the Non-Defaulter Delivery Positions as prescribed in the provisions of Business Rules of JSCC, a Trading Participant shall allocate such Early Termination Allocated Positions or Non-Defaulter Delivery Positions to its customer positions in a manner prescribed in advance.

4. For cases provided for in the preceding paragraph, a Trading Participant shall notify the allocated product, contract and the quantity of such Early Termination Allocated Positions or Non-Defaulter Delivery Positions immediately to the customer who had been allocated such positions upon determination.

**Rule 90-2 (Treatment of Unsettled Proprietary Positions of a Defaulting Person)**

1. The Exchange may, in cases where it suspends transaction (the suspension of transaction prescribed in Item 1 through 5 of Rule 156, Paragraph 1; hereinafter referred to as “suspension of transaction, etc.” in this chapter) of a Defaulting Person (meaning a Trading Participant who is a Clearing Participant became a defaulting person under Rule 157, Paragraphs 1 or 2, and a Non-Clearing Participant became a defaulting person under Rule 158; the same shall apply hereinafter), have other Broker Trading Participant designated by the Exchange to resale or repurchase the proprietary positions of such defaulting person.
2. In the case of the preceding paragraph, a consignment agreement between such other Broker Trading Participant designated by the Exchange and the Defaulting Person shall be deemed to have been executed.
3. Notwithstanding the provisions of Paragraph 1, treatment of unsettled positions for the proprietary account of a Trading Participant who is a Clearing Participant that is subject to suspension of obligation assumption pursuant to the provisions of the Business Rules of JSCC (limited to cases where JSCC determines that the Clearing Participant is insolvent or as necessary for other specific reasons) shall be in accordance with the JSCC Clearing Margin Rules.

**Rule 90-3 (Treatment of Unsettled Customer Positions of a Defaulting Person)**

1. The Exchange may, in cases where it suspends transaction of Defaulting Person, have the unsettled positions consigned by a customer (including an Overseas Customer; the same shall apply hereinafter in this chapter) (excluding a customer prescribed in each items of Rule 90-5, Paragraph 1; the same shall apply hereinafter in this rule and in Rule 90-4) transferred to another Broker Trading Participant (including a Remote Broker Trading Participant; the same shall apply hereinafter in this rule and in Rule 90-4) designated by the Exchange (hereinafter referred to as “Transfer of Positions in the Event of Default” in this chapter), or have other Broker Trading Participant designated by the Exchange to resale or repurchase such positions.
2. In cases where the Exchange arranges to have Transfer of Positions in the Event of Default to be implemented as prescribed in the preceding paragraph or to have other Broker Trading Participant to resale or repurchase the unsettled positions, the Defaulting Person must, subsequent to the suspension of transactions, etc., immediately notify its customers that it has received such suspension of transactions, etc. and other matters deemed necessary by the Exchange.

**Rule 90-4 (Transfer of Unsettled Positions Consigned to a Defaulting Person by a Customer)**

1. The Transfer of Positions in the Event of Default as prescribed in Paragraph 1 of the preceding rule shall be carried out in case the Defaulting Person's customer applies to the other Broker Trading Participant designated by the Exchange for such transfer of positions, and such other Broker Trading Participant submits a written certification of receipt of such application and acceptance of such transfer of position to the Exchange by the time specified by the Exchange.
2. In the case of the preceding paragraph, the Exchange may request the Defaulting Person to submit a document stating matters that the Exchange deems necessary in order to transfer a position and shall deliver such document to the other Broker Trading Participant to receive the transfer of such Transfer of Positions in the Event of Default.
3. In cases of a Transfer of Positions in the Event of Default as prescribed in Paragraph 1, the settlement price on the business day prior to the trading day of such Transfer of Positions in the Event of Default belongs shall be the execution price for such unsettled positions.
4. The resale or repurchase of unsettled positions consigned by a customer of a Defaulting Person as prescribed in Paragraph 1 of the preceding rule, shall be carried out by another

Broker Trading Participant designated by the Exchange, in cases where the Defaulting Person submits a written certification that the Defaulting Person has received an instruction from its customer concerning resale or repurchase of the unsettled positions consigned by such Defaulting Person's customer, by the time specified by the Exchange.

5. The Exchange may, with respect to the unsettled positions consigned by the Defaulting Person's customer prescribed in Paragraph 1 of the preceding rule, have another Broker Trading Participant designated by the Exchange carry out the resale or repurchase, in case the document prescribed in Paragraph 1 or the preceding paragraph is not submitted by the time specified by the Exchange.
6. In the case of the preceding two paragraphs, a consignment agreement between such other Broker Trading Participant designated by the Exchange and the Defaulting Person shall be deemed to have been executed.

**Rule 90-5 (Treatment of Unsettled Positions Consigned by a Customer Whose Performance Obligations are Accelerated)**

1. The Exchange may, in cases where it suspends trading, have another Broker Trading Participant designated by the Exchange carry out resale or repurchase the unsettled positions consigned by a Defaulting Person's customer enumerated in each of the following items:
  - (1) A customer whose performance obligations against a Defaulting Person pertaining to TOCOM markets have been accelerated;
  - (2) A customer that belongs, or may be deemed to substantially belong, to the same Corporate Group as the Defaulting Person, and to which the Exchange deems inappropriate to transfer the unsettled positions.
2. In the case of the preceding paragraph, a consignment agreement between such other Broker Trading Participant designated by the Exchange and the Defaulting Person shall be deemed to have been executed.

**Rule 90-6 (Measures Against Non-Clearing Participant in Cases Where the Designated Clearing Participant Goes Into Default)**

1. The Exchange may, in cases where it suspends the consignment of brokerage for clearing of commodities of a Non-clearing participants who deemed to be a Defaulting Person due to its Designated Clearing Participant becomes a Defaulting Person pursuant to the Rule 157, Paragraph 3 (hereinafter referred to as "Non-Clearing Participant who is a Defaulting Person pursuant to the Rule 157, Paragraph 3" in this chapter), have another Broker Trading Participant to resale or repurchase the proprietary positions of such Non-Clearing Participant.
2. In the case of the preceding paragraph, a consignment agreement between such other Broker Trading Participant designated by the Exchange and the Non-Clearing Participant who is a Defaulting Person pursuant to the Rule 157, Paragraph 3 shall be deemed to have been executed.
3. The provisions of Rule 90-3, 90-4 and the preceding rule (excluding Paragraph 1, Item 2) shall be applied *mutatis mutandis* to a case where a Designated Clearing participant is suspended from consignment of brokerage for clearing of commodities pursuant to the provision of Rule 156, Paragraph 1, Items 2 through 5. In such a case, "suspension of trading" shall be deemed to be replaced with "suspension of consignment of brokerage for clearing of commodities of the Defaulting Person who is a Non-Clearing Participant pursuant to the Rule 157, Paragraph 3", and "Defaulting Person" shall be deemed to be replaced with "Non-Clearing Participant who is a Defaulting Person pursuant to the Rule 157, Paragraph 3".
4. In the event the unsettled contracts of a Non-Clearing Participant who is a Defaulting Person pursuant to the Rule 157, Paragraph 3 is to be transferred to another Broker Trading Participant designated by the Exchange or another Broker Trading Participant designated by the Exchange is to carry out resale or repurchase such unsettled positions as a measure against a Non-Clearing Participant who is a Defaulting Person pursuant to the Rule 157, Paragraph 3 and receives suspension of consignment of brokerage for clearing of commodities pursuant to the provisions of Rule 156, Paragraph 1, Item 2, the right of agency of the Designated Clearing Participant with regard to the right held by a Non-Clearing Participant who is a Defaulting Person pursuant to the Rule 157, Paragraph 3 to claim return

of Clearing Margin shall be deemed to be terminated.

**Rule 90-7 (Treatment of Defaulting Clearing Participant's Clearing Margin for Customer Account)**

1. In the event the Exchange transfers the positions consigned by a customer of a Clearing Participant who is a Defaulting Person to another Broker Trading Participant pursuant to the provisions of Rule 90-3, Paragraph 1, the treatment of such Clearing Margin for Customer Account shall be in accordance with the JSCC Clearing Margin Rules.

**Rule 90-8 (Treatment of Defaulting Non-Clearing Participant's Clearing Margin for Customer Account)**

1. In the event the Exchange transfers the positions due to default consigned by a customer of an Non-Clearing Participant who deems to be a defaulting person as prescribed in Rule 158 (hereinafter referred to as "Defaulting Non-Clearing Participant Prescribed in Rule 158" in this chapter) (the other Broker Trading Participant who receives such transfer shall hereinafter be referred to as the "Transferee Broker Trading Participant in the Event of Default" in this chapter), the Clearing Margin for Customer Account pertaining to such customer deposited to JSCC by such Defaulting Non-Clearing Participant (limited to the portion of which such customer has the right to claim return pursuant to the provisions of the JSCC Clearing Margin Rules; the same shall apply in the following Paragraph) shall be deemed to have been deposited to JSCC on the date of such transfer of position by the Transferee Broker Trading Participant in the Event of Default (in the event the Transferee Broker Trading Participant in the Event of Default is a Non-Clearing Participant, such Transferee Broker Trading Participant in the Event of Default and its Designated Clearing Participant) as its agent.
2. Among the Clearing Margin for Customer Account pertaining to such customer that is deemed to be deposited to JSCC pursuant to the provisions of the preceding paragraph, the amount deposited as the Non-Clearing Participants' Clearing Margin for Customer Account (Replacement Deposit) shall be the lesser of the amounts prescribed in each of the following items:
  - (1) The amount equivalent to the sum of money and market value of securities that the customer deposited to the Defaulting Non-Clearing Participants Prescribed in Rule 158 as a Customer Margin; or
  - (2) The amount calculated by subtracting JSCC's cost of acquisition of yen using the foreign currency, or liquidation of the securities in lieu of cash margins, that have been deposited by the Defaulting Non-Clearing Participant Prescribed in Rule 158 as Clearing Margin (Replacement Deposit) for the Non-Clearing Participant's customer account from the Non-Clearing Participant's Clearing Margin for Customer Account (Replacement Deposit) for the Non-Clearing Participant's customer account that the Defaulting Non-Clearing Participant had deposited to JSCC pursuant to the provisions of the JSCC Clearing Margin Rules, and pro rating such amount in accordance with the amount equivalent to the sum of money and market value of securities deposited by each customer to the Defaulting Non-Clearing Participant as Customer Margin.
3. The provisions of the preceding two paragraphs shall be applied *mutatis mutandis* to cases where the Defaulting Non-Clearing Participant prescribed in Rule 157, Paragraph 3 is suspended from consignment of brokerage for clearing commodities pursuant to the provisions of Rule 156, Paragraph 1, Item 2. In this case, "Rule 90-3, Paragraph 1" shall be "Rule 90-3, Paragraph 1 as applied *mutatis mutandis* in Rule 90-6, Paragraph 3" and "Defaulting Non-Clearing Participant Prescribed in Rule 158" shall be "Defaulting Non-Clearing Participant Prescribed in Rule 157, Paragraph 3".

**Rule 90-9 (Liquidation of Clearing Margin for Replacement Deposits, etc.)**

1. In the event the Exchange decides to subject the unsettled positions consigned by a customer of the Defaulting Non-Clearing Participant Prescribed in Rule 158 to a resale or repurchase pursuant to the provisions of Rule 90-3, Paragraph 1 or Rule 90-5, Paragraph 1, or to have the position consigned by a customer of a Defaulting Non-Clearing Participant Prescribed in

- Rule 158 transferred pursuant to the provisions of Rule 90-3, Paragraph 1, if JSCC decides to acquire yen using all or part of the foreign currency, or liquidate all or part of the securities, that have been deposited as Non-Clearing Participant's Clearing Margin for customer account (Replacement Deposit) in a manner deemed appropriate by JSCC, a consignment agreement between the Designated Clearing Participant of the Defaulting Non-Clearing Participant Prescribed in Rule 158, Defaulting Non-Clearing Participant Prescribed in Rule 158, its customer, and JSCC shall be deemed to have been executed.
2. In the event the Exchange decides to subject the unsettled contracts consigned by a customer of the Non-Clearing Participant Prescribed in Rule 157, Paragraph 3 to a resale or repurchase pursuant to the provisions of Rule 90-3, Paragraph 1 or Rule 90-5, Paragraph 1, as applied *mutatis mutandis* in Rule 90-6, Paragraph 3, or to have the position consigned by a customer of Defaulting Non-Clearing Participant Prescribed in Rule 157, Paragraph 3 transferred, if JSCC decides to acquire yen using all or part of the foreign currency, or liquidate all or part of the securities, that have been deposited as Non-Clearing Participant's Clearing Margin for customer account (Replacement Deposit) in a manner deemed appropriate by JSCC, a consignment agreement between the Designated Clearing Participant of the Defaulting Non-Clearing Participant Prescribed in Rule 157, Paragraph 3, the Defaulting Non-Clearing Participant Prescribed in Rule 157, Paragraph 3, its customer and JSCC shall be deemed to have been executed.
  3. In the case of Paragraph 1, if the Broker is a customer prescribed in each of the items of Rule 90-5, Paragraph 1 and JSCC decides to acquire yen using all or part of the foreign currency, or liquidate all or part of the securities, that have been deposited as Non-Clearing Participant's Clearing Margin for Customer Account (Replacement Deposit by Broker) in a manner deemed appropriate by JSCC, a consignment agreement between the Designated Clearing Participant of the Defaulting Non-Clearing Participant Prescribed in Rule 158, the Defaulting Non-Clearing Participant Prescribed in Rule 158, its customer, and JSCC shall be deemed to have been executed.
  4. In the case of Paragraph 2, if the Broker is a customer prescribed in Rule 90-5, Paragraph 1, Item 1, as applied *mutatis mutandis* in Rule 90-6, Paragraph 3, and JSCC decides to acquire yen using all or part of the foreign currency, or liquidate all or part of the securities, that have been deposited as Non-Clearing Participant's Clearing Margin for Customer Account (Replacement Deposit by Broker) in a manner deemed appropriate by JSCC, a consignment agreement between the Designated Clearing Participant of the Defaulting Non-Clearing Participant Prescribed in Rule 157, Paragraph 3, the Defaulting Non-Clearing Participant Prescribed in Rule 157, Paragraph 3, its customer and the customer's Applicant, and JSCC shall be deemed to have been executed.

#### **Rule 90-10 (Special Provisions on Treatment of Clearing Margin for Replacement Deposits)**

1. In the event JSCC acquires yen using foreign currency or liquidates securities pursuant to the provisions of Paragraph 1 or 2 of the preceding rule, the Non-Clearing Participant's Clearing Margin for Customer Account (Replacement Deposit) shall be the money other than the foreign currency pertaining to the acquisition, and securities other than the securities subject to liquidation, that have been deposited to JSCC as the Non-Clearing Participant's Clearing Margin for Customer Account (Replacement Deposit) by the Defaulting Non-Clearing Participant Prescribed in Rule 158 or in Rule 157, Paragraph 3 provided in Paragraph 2 of the preceding rule, and the amount of money calculated by subtracting the cost of acquisition from the money after the acquisition and subtracting the cost of liquidation from the money obtained from the liquidation.
2. In the event JSCC acquires yen using the foreign currency or liquidates securities pursuant to the provision of Paragraph 3 or 4 of the preceding rule, the Non-Clearing Participant's Clearing Margin for Customer Account (Replacement Margin by Broker) shall be the money other than the foreign currency pertaining to acquisition, and securities other than the securities subject to liquidation, that have been deposited to JSCC as the Non-Clearing Participant's Clearing Margin for Customer Account (Replacement Margin by Broker) by the Defaulting Non-Clearing Participant Prescribed in Rule 158 or in 157, Paragraph 3 as provided in Paragraph 4 of the preceding rule, and the amount of money calculated by

subtracting the cost of acquisition from the money after the acquisition and subtracting the cost of liquidation from the money obtained from the liquidation.

**Rule 90-11 (Special Provisions on Right to Claim Return of Clearing Margin for Customer Account)**

1. A customer's right to claim return of Clearing Margin for customer account deemed to be deposited to JSCC pursuant to the provisions of Rule 90-8, Paragraph 1 (including *mutatis mutandis* application in Paragraph 3 of the same Rule) shall be exercised by the Transferee Broker Trading Participant in the Event of Default, prescribed in Paragraph 1 of the same Rule as its agent.
2. In the event the Exchange decides to subject the unsettled contracts consigned by a customer of a Defaulting Non-Clearing Participant Prescribed in Rule 158 (in the case of *mutatis mutandis* application in Rule 90-6, Paragraph 3, referring to the Defaulting Non-Clearing Participant Prescribed in Rule 157, Paragraph 3; the same shall apply in this rule and in Rule 90-12) to a resale or repurchase pursuant to the provisions of Rule 90-3, Paragraph 1 or Rule 90-5, Paragraph 1 (including *mutatis mutandis* application in Rule 90-6, Paragraph 3), or to transfer the positions consigned by a customer of the Defaulting Non-Clearing Participant Prescribed in Rule 158 (including *mutatis mutandis* application in Rule 90-6 Paragraph 1), the right to claim return of the Clearing Margin for customer account pertaining to a customer of a Defaulting Non-Clearing Participant (excluding customers whose position was subjected to Transfer of Position due to default pursuant to provisions of Rule 90-3, Paragraph 1 (including *mutatis mutandis* application in Rule 90-6, Paragraph 3)) may be exercised directly against JSCC as prescribed in the JSCC Clearing Margin Rules. In this case, if the Clearing margin for Customer Account pertaining to such customer is deposited as a Non-Clearing Participant's Clearing margin for Customer Account (Replacement Deposit), the amount shall be limited to the lesser of the amounts prescribed in each item of Rule 90-8, Paragraph 2.

**Rule 90-12 (Special Provisions on Right to Claim Return Clearing Margin for Customer Account of Broker)**

1. In the event the Exchange decides to subject the unsettled contracts associated with the brokerage of consignment by a Customer of Broker of a customer of Defaulting Non-Clearing Participant Prescribed in Rule 158 to a resale or repurchase pursuant to the provisions of Rule 90-5, Paragraph 1 (including *mutatis mutandis* application in Rule 90-6, Paragraph 3), if the Broker is a customer prescribed in each of the items of Rule 90-5, Paragraph 1, the right to claim return held by such Customer of Broker of the Broker may be exercised directly against JSCC as prescribed in the JSCC Clearing Margin Rules.

**Rule 90-13 (Treatment of Other Matters Concerning Transfer of Positions During Trading Suspensions, etc.)**

1. In addition to the provisions in this chapter, necessary matters pertaining to Transfer of Positions due to default shall be determined by the Exchange on a case-by-case basis.

**Chapter 11 Special Provisions for Transactions, etc. in Electricity Market**

**Rule 91 (Special Provisions for Transactions in Electricity Market)**

1. Only a legal entity may trade in the Electricity Market.
2. Broker Trading Participants, Brokers, Remote Broker Trading Participants and Foreign Commodity Derivatives Brokers may not accept consignment of transactions or brokerage of consignment of transactions for the Electricity Market from an entity who is not a legal entity.

**Rule 92 (Prohibition of Insider Trading)**

1. A Trading Participant or Customer etc. shall not conduct trading based on the material facts before publication (hereinafter referred to as “insider information”) (hereinafter referred to as “Insider Trading”).
2. A Trading Participant or Customer etc. who is an electricity utility shall not disclose the insider information or encourage others to conduct insider trading in order to let such party making profit or avoiding loss.
3. A Trading Participant or Customer etc. who is an electricity utility shall keep control over the insider information.
4. The material facts and the insider trading shall be prescribed in the Electricity Market Insider Trading Detailed Rules.

**Rule 93 (Publication of Material Facts)**

1. A Trading Participant or Customer etc. who is an electricity utility shall publish the material facts in accordance with the Electricity Market Insider Trading Detailed Rules.

**Rule 94 (Matters to be Notified)**

1. A Trading Participant shall notify the Exchange, in writing without delay, in cases where disciplinary actions were taken, or opportunities on hearing and explanation with regard to such disciplinary actions were given by JEPX.
2. A Broker Trading Participant or Remote Broker Trading Participant shall notify the Exchange, in writing without delay, in cases where disciplinary actions were taken, or opportunities on hearing and explanation with regard to such disciplinary actions were given by JEPX against its customer

**Rule 94-2 (Use of Matching Service Between Futures Transactions and Spot Transactions)**

1. A Broker Trading Participant, Market Trading Participant who is an electricity utility and a partner organization of JEPX, and Customer may use services, provided by the Exchange and JEPX, to match positions in electricity in the Energy market of the Exchange with trade results on the JEPX spot market as separately specified by the Exchange and JEPX.

**Chapter 12 Miscellaneous Provisions**

**Rule 95 (Matters to be Published)**

1. The Exchange shall publish the matters enumerated in each of the following items:
  - (1) Change in trading hours, a temporary closing or opening of a session, or a temporary holiday or temporary business day;
  - (2) Planned holiday trading days;
  - (3) Change in the last trading day and the final settlement day;
  - (4) Restrictions on number of trades or number of positions;
  - (5) Determination of, or change in the rate, etc. of fees payable to the Exchange, including exchange fees;
  - (6) Matters concerning the physical delivery;
  - (7) Final Settlement Price for Cash-settled Futures Transactions;
  - (8) Total open interest for each trading day by transaction types, by Listed Commodity Component Products (or underlying product for Cash-settled Futures Transactions of electricity; the same shall apply in Rule 95-2 and Rule 96), and by contracts; and
  - (9) Other matters deemed necessary by the Exchange.
2. The publication period for the items provided for in the preceding paragraph shall be for 5 business days for Items 1 through 6, for the day for Items 7 and 8, and for the period

determined by the Exchange for Item 9 counting from the day on which they are published.

**Rule 95-2 (Publication of Orders with Errors)**

1. In the event that there was an order with errors, the Exchange may publish the product, contract or spread series, the name of Trading Participant who placed such order and other necessary matter, if deemed necessary by the Exchange in terms of market management.
2. If the Exchange published the matter prescribed in the preceding paragraph, a Trading Participant who placed such order shall also publish the product, contract or spread series, and other matters specified by the Exchange without delay.

**Rule 96 (Notification and Publication of Total Trading Volume and Other Information)**

1. The Exchange shall promptly notify Trading Participants of the following matters with respect to transactions in the TOCOM market, through electronic information media, every business day, as well as publish such matters. However, in the event of operational disruption of such electronic media or if otherwise deemed necessary by the Exchange, such notification or publication shall be done in writing:
  - (1) Total trading volume for the preceding trading day by transaction types, by Listed Commodity Component Products, and by contracts;
  - (2) The opening, highest, lowest, and closing execution price for the preceding trading day by transaction types, by Listed Commodity Component Products, and by contracts;
  - (3) The execution price and total trading volume of Off-Floor Trading by transaction types, by Listed Commodity Component Products, and by contracts for the preceding trading day;
  - (4) The opening, highest, lowest, and closing execution price of Off-floor transactions by transaction types, by Listed Commodity Component Products, and by contracts.

**Rule 97 (Measures to be Taken When Operational Trouble of the Electronic Trading System Occurs)**

1. In the event that there is, or is likely to be, operational trouble of the electronic trading system, provided for in Rule 19, and if it is deemed necessary by the Exchange, the Exchange may take any of the measures listed in each of the following items:
  - (1) To temporarily change the opening and closing hours of the sessions, temporarily suspend the whole or part of a session, or temporarily open the whole or part of a session;
  - (2) To cancel the whole or part of a trade;
  - (3) To restrict or halt the acceptance of the whole or part of orders;
  - (4) To restrict or halt the acceptance of orders from certain Trading Participants;
  - (5) To invalidate orders that have been accepted by the Exchange;
  - (6) To liquidate the whole or part of a position;
  - (7) To halt the whole or part of the operations pertaining to System Trading; and
  - (8) To take any other measures determined by the Exchange to be necessary for proper market management.
2. The provisions of the preceding paragraph shall apply *mutatis mutandis* to cases of breakdown of Trading Participant Terminals of Trading Participants if it is determined necessary by the Exchange.
3. In the case where the Exchange cancelled a trade pursuant to the provisions of Paragraph 1, Item 2 (including cases in which such provisions are applied pursuant to the provisions of the preceding paragraph), said trade is deemed never to have been executed.

**Rule 98 (Measures to be Taken When a Trade is Executed as a Result of an Order with Errors, etc.)**

1. In the case where an application for cancellation of a trade executed as a result of an order with errors is made by a Trading Participants and the Exchange determines that the trade may

disrupt the TOCOM market, the Exchange may cancel the trade as determined by the Exchange.

2. In the case where the Exchange cancelled a trade pursuant to the provisions of the preceding paragraph, said trade is deemed never to have been executed.
3. The application for cancellation under Paragraph 1 shall be made by a Trading Participant within 5 minutes after the trade is executed and the Exchange shall immediately notify to that effect a Trading Participant who is the counterparty to the trade for which the application for trade cancellation was made.
4. A Trading Participant may not, under no circumstances including the case where it incurs damages due to the trade cancellation by the Exchange under the provisions of Paragraph 1, claim compensation for damages to a Trading Participant who placed the order with errors; provided, however, that the same shall not apply if it is found that a Trading Participant, etc. placed such an erroneous order intentionally or by gross negligence.
5. A Trading Participant may not, under any circumstances including the case where it incurs damages due to the cancellation or non-cancellation of a trade by the Exchange under the provisions of Paragraph 1, claim compensation for damages to the Exchange; provided, however, that the same shall not apply if it is found that such damages were caused by the Exchange intentionally or by gross negligence.
6. In the case where the Exchange cancelled a trade pursuant the provisions of Paragraph 1, a Trading Participant who placed the order with errors shall, in accordance with the provisions of the Trading Fee Detailed Rules, pay to the Exchange the fees pertaining to the measures to be taken when a trade is executed as a result of an order with errors.

#### **Rule 99 (Notification of Trade Cancellation)**

1. Upon making a decision to cancel any trade pursuant to Rule 97, Paragraph 1, Item 2 (including cases in which such provisions are applied pursuant to the provisions of Rule 97, Paragraph 2), Paragraph 1 of the preceding rule and Paragraph 1 of the next rule, the Exchange shall notify all Trading Participants who have a trading qualification in the relevant market of such decision.
2. Upon completing such cancellation of a trade, the Exchange shall immediately notify a Trading Participant who is subject to such cancellation of that fact.

#### **Rule 100 (Emergency Measures)**

1. Under any of the following circumstances, the Exchange may cancel the whole or part of an execution, liquidate the whole or part of a position, or take other emergency measures such as changing the delivery condition (however, exclude the measures pursuant to the Rule 9, Rule 10, Rule 33, Rule 97 or the next rule):
  - (1) Where there are unavoidable reasons for taking emergency measures in order to maintain proper order in the Exchange markets, given that transactions have been or are likely to be executed for excessive quantity, by means of cornering, bear raids, or other detrimental activities, or that unfair execution prices have been or are likely to be formed; or
  - (2) Where execution or settlement of transactions has been, or is likely to be, seriously disrupted due to natural disaster, wars, riots, violent fluctuation in market prices, or other similar events.
2. In the case where the Exchange cancelled a trade pursuant the provisions of the preceding paragraph, said trade is deemed never to have been executed.

#### **Rule 101 (Measures Based on an Order of the Regulating Minister)**

1. The Exchange shall take necessary measures pursuant to an order of the Regulating Minister under Article 118 of the Act.

**Rule 102 (Decision on Necessary Matters Concerning Market Administration)**

1. In addition to the provisions of these Rules, the Exchange may prescribe necessary matters concerning administration of the Exchange markets.

**Rule 103 (Objection)**

1. Trading Participants and Customers, etc. may not make an objection against the measures taken by the Exchange pursuant to the provisions of these Rules.

**PART 3 TRADING PARTICIPANTS**

**Chapter 1 General Provisions**

**Rule 104 (Trading Qualifications)**

1. Trading Participants of the Exchange shall be limited to those falling under any of the following items:
  - (1) Those who engage commercially in buying and selling of Listed Commodity Component Products (including oil products for crude oil, and natural gas and products made out from natural gas for LNG in the Energy Market), act commercially as mediators, brokers or agents for buying and selling, or engage commercially in production, processing or use (in the case of electricity, buying and selling of the electricity, act commercially as mediators, brokers or agents for buying and selling the electricity, or other acts prescribed in Article 1-8 of the Ordinance; hereinafter referred to as “buying, selling, etc.”) of such goods on a continuous basis (hereinafter referred to as “Commercials”).
  - (2) Those who are licensed to engage in the Commodity Derivatives Business under Article 190, Paragraph 1 of the Act (hereinafter referred to as a “Commodity Derivatives Broker”);
  - (3) Those who have obtained the same type of license in a foreign state under the provisions of the laws and regulations of said foreign state equivalent to a license under Article 190, Paragraph 1 of the Act, with regard to accepting the consignment of transactions similar to Futures Transactions on a market in a foreign state equivalent to a Commodity Market, or engaging in business as a mediator, broker, or agent for said transactions (such license includes registration and other administrative dispositions similar to said license);
  - (4) Those who have given notice under Article 349, Paragraph 1 of the Act that it intends to engage commercially in Over-the-Counter Commodity Derivative Transactions with regard to the Listed Commodity Component Products, etc. of the Exchange; and
  - (5) Those who fall under any of the following categories:
    - A. Banks;
    - B. Financial Instruments Business Operators, etc. prescribed in Article 2, Paragraph 9 of the Financial Instruments and Exchange Act (Act No.25 of 1948). (Limited only to type I Financial Instruments Business Operators prescribed in Article 28, Paragraph 1 of the Financial Instruments and Exchange Act);
    - C. The Shokochukin Bank Ltd.;
    - D. The Development Bank of Japan Inc.;
    - E. Shinkin banks and the Shinkin Bank Association;
    - F. Credit cooperatives and cooperative associations which carry out business set forth in Article 9-9, Paragraph 1, Item 1 of the Small and Medium Enterprises, etc. Cooperative Act (Act No.181 of 1949);
    - G. Industrial banks and the Industrial Bank Association;
    - H. The Norinchukin Bank;
    - I. The agricultural cooperatives and the Agricultural Cooperative Associations which

- engage in business set forth in Article 10, Paragraph 1, Item 3 of the Agricultural Cooperative Association Act (Act No. 132 of 1947);
- J. Insurance companies and foreign insurance companies, etc. prescribed in Article 2, Paragraph 7 of the Insurance Business Act (Act No. 105 of 1995);
  - K. Commodities investment advisors prescribed in Article 2, Paragraph 8 of the Act on Regulation of Business Pertaining to Commodity Investment (Act No. 66 of 1991), or those who are equivalent to in a foreign state; and
  - L. The person engages or intends to engage in a business of proprietary transactions (such transactions includes the transactions consigned to other Trading Participants) on a commodity market or a market in a foreign state equivalent to a commodity market.

### **Rule 105 (Classification of Trading Participants)**

1. Trading Participants of the Exchange shall be classified into the Commodity Division Trading Participants enumerated in each of the following items for each listed commodity:
  - (1) Those dealing in Energy shall be Energy Division Trading Participants; and
  - (2) Those dealing in Chukyo-oil shall be Chukyo-oil Division Trading Participants.
2. Energy Division Trading Participants and Chukyo-oil Division Trading Participants who are commercials shall be subdivided into the following Trading Participants. Trading Participants belonging to all of the divisions enumerated in Items 1 through Items 5 are referred to as "Energy Trading Participants" and Trading Participants belonging to all of the divisions enumerated in Items 6 and 7 are referred to as "Chukyo-oil Trading Participants":
  - (1) Trading Participants who are Commercials dealing in gasoline and trade gasoline contract in the Energy Market ("Gasoline Trading Participants");
  - (2) Trading Participants who are Commercials dealing in kerosene and trade kerosene contract in the Energy Market ("Kerosene Trading Participants");
  - (3) Trading Participants who are Commercials dealing in gas oil and trade gas oil contract in the Energy Market ("Gas Oil Trading Participants");
  - (4) Trading Participants who are Commercials dealing in crude oil and trade crude oil contract in the Energy Market ("Crude Oil Trading Participants");
  - (5) Trading Participants who are Commercials dealing in electricity and trade electricity contract in the Energy Market ("Electricity Trading Participants");
  - (6) Trading Participants who are Commercials dealing LNG and trade LNG contract in the Energy Market ("LNG Trading Participants");
  - (7) Trading Participants who are Commercials dealing in gasoline and trade gasoline contract in the Chukyo-oil Market ("Chukyo-Gasoline Trading Participants"); and
  - (8) Trading Participants who are Commercials dealing in kerosene and trade kerosene contract in the Chukyo-oil Market ("Chukyo-Kerosene Trading Participants").

### **Rule 106 (Category of Trading Participants)**

1. Trading Participants of the Exchange shall be classified into the categories enumerated in each of the following items:
  - (1) Market Trading Participants: Trading Participants who have sales or business offices in Japan for the transactions in the TOCOM markets and have a trading qualification that qualifies a Trading Participant to execute proprietary transactions in the TOCOM market;
  - (2) Broker Trading Participants: Trading Participants who are Commodity Derivatives Brokers and have a trading qualification that qualifies a Trading Participant to execute proprietary transactions and customer transactions in the TOCOM market;
  - (3) Remote Market Trading Participants: Trading Participants who have no sales or business offices in Japan for transactions in the TOCOM market and have a trading qualification that qualifies a Trading Participant to execute proprietary transactions (only based on consignment of commodity clearing transactions) in the TOCOM market; and
  - (4) Remote Broker Trading Participants: Trading Participants who are Foreign Commodity Derivatives Brokers and have no sales or business offices in Japan for transactions in the TOCOM market, and have a trading qualification that qualifies a Trading Participant to execute proprietary transactions and customer transactions in the TOCOM market.

### Rule 107 (Disqualifying Conditions)

1. Any person who falls under any of the following items may not become a Trading Participant:
  - (1) A person who has difficulties to recognize or judge the situation or communicate with others in purpose to do business appropriately due to mental disorder;
  - (2) A person who has received a decision of commencement of bankruptcy proceedings and has not obtains restoration of rights, or a person who is treated in the same manner under foreign laws and regulations;
  - (3) A person who was sentenced to imprisonment or a severe punishment (including equivalent punishment under foreign laws and regulations), or sentenced to fines under the provisions of the Act, or equivalent foreign laws and regulations (including equivalent punishment under foreign laws and regulations), if 5 years have not passed since the date of completion or termination of such imprisonment or other punishment;
  - (4) A person whose permission granted under Article 96-19, Paragraph 1, Article 96-31, Paragraph 1, or Article 96-25, Paragraph 1 or the proviso clause of Article 96-25, Paragraph 3 of the Act was rescinded pursuant to the provisions of Article 96-22, Paragraph 1, Article 96-34, Paragraph 1 or Article 96-40, Paragraph 1 of the Act, whose license granted under Article 9, Article 78, Article 167, Article 190, Paragraph 1, Article 332, Paragraph 1, or Article 342, Paragraph 1 of the Act was rescinded pursuant to the provisions of Article 159, Paragraphs 1 or 2; Article 186, Paragraphs 1 or 2; Article 235, Paragraph 3; Article 236, Paragraph 1; or Article 340, Paragraph 1 (including cases in which the provisions thereof are applied *mutatis mutandis* under Article 345) of the Act, or whose registration under Article 240-2, Paragraph 1 of the Act was rescinded pursuant to the provisions of Article 240-23, Paragraph 1 of the Act or a person whose similar permission or license granted in a foreign country under laws and regulations of the foreign country that are equivalent to the Act (including registration or other administrative dispositions that are similar to such permission or license; in Item 6 collectively referred to as "licenses") was rescinded, if 5 years have not passed since the date of such rescission;
  - (5) A person who is expelled from, or whose trading qualification is rescinded by a commodity exchange or equivalent foreign institution pursuant to an order under Article 160, Paragraph 1 of the Act or equivalent laws or regulations of a foreign country (including other administrative dispositions under equivalent foreign laws and regulations; the same shall apply hereinafter in Item 7 and Item 8), if 5 years have not passed since the date of such expulsion or rescission;
  - (6) In the case where (i) the permission of a person who was granted such permission under Article 96-19, Paragraph 1 or Article 96-31, Paragraph 1 of the Act (hereinafter in this item referred to as "major shareholder") is rescinded pursuant to the provisions of Article 96-22, Paragraph 1 or Article 96-34, Paragraph 1, (ii) the permission of a commodity exchange holding company granted under Article 96-25, Paragraph 1 or the proviso clause of Article 96-25, Paragraph 3 is rescinded pursuant to the provisions of Article 96-40, Paragraph 1, (iii) the license of a commodity exchange granted under Article 9 or Article 78 of the Act is rescinded pursuant to the provisions of Article 159, Paragraphs 1 or 2 of the Act; (iv) the license of a commodity clearing organization granted under Article 167 of the Act is rescinded pursuant to the provisions of Article 186, Paragraphs 1 or 2 of the Act; (v) the license of a Commodity Derivatives Broker granted under Article 190, Paragraph 1 of the Act is rescinded pursuant to the provisions of Article 235, Paragraph 3 or Article 236, Paragraph 1 of the Act; (vi) the registration of a Commodity Derivatives Intermediary Service Provider under Article 240-2, Paragraph 1 of the Act is rescinded pursuant to the provisions of Article 240-23, Paragraph 1 of the Act; (vii) the license of an Establisher of a Type 1 Specified Facility (meaning the Establisher of a Type 1 Specified Facility provided for in Item 2 of Article 331 of the Act; the same shall apply hereinafter in this item) or an Establisher of a Type 2 Specified Facility (meaning the Establisher of a Type 2 Specified Facility provided for in Item 3 of Article 331 of the Act; the same shall apply hereinafter in this item) granted under Article 332, Paragraph 1 or Article 342, Paragraph 1 of the Act is rescinded pursuant to the provisions of Article 340, Paragraph 1 of the Act (including cases in which these provisions are applied *mutatis mutandis* under

- Article 345 of the Act), or (viii) similar licenses of a legal entity that were granted in a foreign country are rescinded pursuant to the provisions of laws or regulations of the foreign country that are equivalent to the Act, a person who was an officer of said major shareholder, commodity exchange holding company, commodity exchange, commodity clearing organization, Commodity Derivatives Broker, Commodity Derivative Intermediary Service Provider, Establisher of a Type 1 Specified Facility, Establisher of a Type 2 Specified Facility, or legal entity anytime within the period of 30 days immediately preceding the date of such rescission, if 5 years have not passed since the date of such rescission;
- (7) In cases where a member or trading participant of a commodity exchange who is a legal entity or a member or trading participant of a foreign institution equivalent to a commodity exchange and who is a legal entity, is expelled from such exchange or institute, or their trading qualification is rescinded pursuant to an order under Article 160, Paragraph 1 of the Act or equivalent laws or regulations of the foreign country, and/or a person who was an officer of said legal entity anytime within the period of 30 days immediately preceding the date of such rescission, if 5 years have not passed since the date of such rescission;
  - (8) An officer who was dismissed pursuant to an order under Article 96-40, Paragraph 2, Article 159, Paragraph 3, Article 160, Paragraph 1, Article 186, Paragraph 4, Article 236, Paragraph 2 or Article 240-23, Paragraph 2 of the Act, or equivalent provisions of foreign laws and regulations, if 5 years have not passed since the date of dismissal;
  - (9) A person subject to a court order under Article 328, Paragraph 1 of the Act or an order of a foreign court under equivalent laws or regulations of the foreign country, if 1 year has not passed since the day on which such order was issued;
  - (10) A person specified in Article 331, Paragraph 1, Item 3 of the Companies Act (Act No. 86 of 2005);
  - (11) A minor who does not have the same legal capacity as an adult with regard to business whose statutory representative falls under any of the preceding items or the following item;
  - (12) A legal entity whose officers include a person who falls under any of the preceding items;
  - (13) A person who was expelled from the Exchange, another commodity exchange, or a financial instruments exchange established under the Financial Instruments and Exchange Act, or in cases where such person is a legal entity, the officer representing such legal entity, if 5 years have not passed since the date of such expulsion;
  - (14) A person who concealed the fact that it does not qualify as a Trading Participant under Rule 104 or the fact that it falls under any of the preceding items, if 5 years have not passed since the date on which such concealment was revealed; or
  - (15) Apart from the persons listed in each of the preceding items, a person who was deemed not to have an organization to conduct proper business operations concerning transactions in the Exchange markets, not to have sufficient social credibility, or not to have sufficient business continuity, by the Exchange.
2. For the purpose of applying the provisions of Items 3 through 5, Item 9 and Item 12 of the preceding paragraph, a legal entity surviving a merger or a legal entity established by a merger shall be deemed to be the same legal entity as that which was extinguished as a result of the merger.

## **Chapter 2 Acquisition of Trading Qualification**

### **Rule 108 (Application for Acquisition of Trading Qualification)**

1. Any person wishing to obtain a trading qualification (meaning the qualification provided per each Listed Commodity Component Products to trade such listed product; the same shall apply hereinafter) of the Exchange shall submit to the Exchange the Application Form provided for in the Detailed Rules for Trading Participant Enforcement containing necessary matters.
2. As provided for in the Detailed Rules for Trading Participant Enforcement, the applicant shall attach the documents enumerated in each of the following items to the Application Form

provided for in the preceding paragraph:

- (1) A written statement and a document certifying that the person satisfies items of Rule 104 with regard to the Listed Commodity Component Products of the Exchange markets that such person wishing to obtain trading qualification;
- (2) If such applicant is a general corporation described in the Detailed Rules for Trading Participant Enforcement, (i) a copy of the Articles of Incorporation and the commercial registry of the general corporation, (ii) a document indicating the place of the main office or primary office, (iii) names of the officers and a copy of the resume of such officers, (iv) a copy of residence certificate of such officers (or, if such officer is a foreign national residing in Japan, a copy of a special permanent resident certificate, a copy of a registration card, or a certificate of the registered matters of said person), or a substitute thereof (hereinafter referred to as a “copy of the residence certificate and other documents”), (v) a written statement that the corporation and its officers do not fall under any of the Items 1 through 14 of Rule 107, (vi) financial statements, etc. prepared pursuant to the provisions of Article 435, Paragraph 2 of the Companies Act (hereinafter referred to as “Financial Statements, etc.”) or a securities report prescribed by Article 24 of the Financial Instruments and Exchange Act (hereinafter referred to as a “Securities Report”) or any other documents equivalent thereto, and if the applicant concurrently is a member or trading participant of another commodity exchange or Osaka Exchange licensed under Article 80, Paragraph 1 of the Financial Instruments and Exchange Act., (vii) a document indicating the name of the exchange and the date on which it obtained the trading qualification or became a member or trading participant thereof;
- (3) Notwithstanding the provisions of the preceding item, if such applicant is a special corporation described in the Detailed Rules for Trading Participant Enforcement which has been registered based on condition of Laws and Regulations that requires submission of certain documents, (i) a copy of the Articles of Incorporation and the commercial registry of the special corporation, (ii) a document indicating the place of the main office or primary office, (iii) names of the officers and a copy of the resume of such officers, (iv) a written statement that the corporation and its officers do not fall under any of the Items 1 through 14 of Rule 107, (v) financial statements, etc., securities report or any other documents equivalent thereto, and if the applicant concurrently is a member or trading participant of another commodity exchange or Osaka Exchange, (vi) a document indicating the name of the commodity exchange and the date on which it obtained the trading qualification or became a member or trading participant thereof;
- (4) If such applicant is an individual, (i) a resume and a copy of the residence certificate and other documents of the person (or, if there is a statutory representative for the person, the person and their statutory representative), (ii) a written statement that the person does not fall under any of Items 1 through 11, Item 13 and Item 14 of Rule 107, (iii) a profit and loss statement and balance sheet, etc., and, if the person concurrently is a member or trading participant of another commodity exchange or Osaka Exchange, (iv) a document indicating the name of the commodity exchange and the date on which the person obtained the trading qualification or became a member or trading participant thereof; and
- (5) Other documents deemed necessary by the Exchange.

#### **Rule 109 (Trading Qualification Examination and Approval)**

1. Upon receipt of the application pursuant to the provisions of the preceding rule, the Exchange shall conduct an examination of the application and decide approval or refusal of the applicant.
2. Where deemed necessary, for purposes of the examination provided for in the preceding paragraph, the Exchange may require the applicant or other interested parties to appear in a hearing to hear their testimonies or opinions.
3. The Exchange shall notify to the Trading Participants upon approval of the trading qualification prescribed in Paragraph 1.

#### **Rule 110 (Procedures for Acquisition of Trading Qualification)**

1. A person who is approved to obtain a trading qualification shall perform the following procedures within 30 days from the date of approval (or within the period specified by the

Exchange, if it is deemed particularly necessary by the Exchange):

- (1) Payment of Registration Fees;
  - (2) Conclusion of the Trading Participant Agreement;
  - (3) Deposit of Guarantee Funds and Trading Participant Security Deposit; and
  - (4) Procedure for the Acquisition of trading qualification prescribed by the Detailed Rules for Trading Participant Enforcement.
2. Notwithstanding the provisions of the preceding paragraph, in cases where the acquisition of a trading qualification results from a merger with a Trading Participant or succession, company split, or transfer of business (hereinafter referred to as a “business transfer”) from a Trading Participant, payment of registration fee is not required.
  3. In the event that the person who was approved to obtain a trading qualification fails to perform the procedure provided for in Paragraph 1 within the specified period, such person shall be deemed to have withdrawn the application for the acquisition of a trading qualification and the approval for the trading qualification shall be ineffective.

#### **Rule 111 (Amount of Registration Fees)**

1. The amount of the Registration fees and other matters related thereto shall be prescribed by the Trading Fee Detailed Rules.

#### **Rule 112 (Date of Acquisition of Trading Qualification)**

1. A person who is approved to obtain a trading qualification shall obtain the trading qualification pertaining to the relevant application as of the day on which the procedures provided for in Rule 110, Paragraph 1 have been completed.
2. The Exchange shall deliver a Trading Participant Certificate to the Trading Participant who acquired the trading qualification pursuant to the provisions of the preceding paragraph and publish the name or trade name of the Trading Participant and, if the Trading Participant is a Corporate Trading Participant (meaning a Trading Participant who is a legal entity; the same shall apply hereinafter), the name of the representative of such Trading Participant.

#### **Rule 113 (Condition to Trade)**

1. A Trading Participant who trade in TOCOM market shall be a Clearing Participant of such market or be a Non-Clearing Participant and appoint Designated Clearing Participant for the transactions in TOCOM market.
2. A Trading Participant who trade in TOCOM market shall establish appropriate business management system prescribed in the Detailed Rules for Trading Participant Enforcement.
3. A Trading Participant intending to start trading in TOCOM market shall apply to the Exchange in the form prescribed in the Detailed Rules for Trading Participant Enforcement with the documents deemed necessary by the Exchange and obtain approval beforehand.
4. A Trading Participant intending to start trading in TOCOM market shall meet the condition prescribed in the Detailed Rules for Trading Participant Enforcement.
5. The provisions of Rule 123, Rule 124 and Rule 126 shall apply *mutatis mutandis* to the case where a Trading Participant who no longer satisfies the conditions prescribed in Paragraph 1 has unsettled positions in the market.

### **Chapter 3 Change in and Waiver of Trading Qualification**

#### **Rule 114 (Addition of Trading Qualification)**

1. A Trading Participant who desires to obtain an additional trading qualification shall submit the notice to the Exchange as prescribed in the Detailed Rules for Trading Participant Enforcement.
2. A Trading Participant who submit the notice to obtain additional trading qualification provided

in preceding paragraph to the Exchange as a Trading Participant prescribed in each item of Rule 105, Paragraph 2 shall also submit a written statement and a document certifying that a Trading Participant will satisfy the requirements of Rule 104, Item 1 with respect to the listed commodity component products of the Exchange markets.

3. Upon receipt of the notice pursuant to the provisions of the preceding paragraph, the Exchange shall announce such receipt to each Trading Participant.

#### **Rule 114-2 (Procedure for Adding Trading Qualification)**

1. A Trading Participant shall perform the following procedure within 30 days (or within the period specified by the Exchange, if it is deemed necessary by the Exchange) from the date the notice pursuant to the provisions of the Paragraph 1 of preceding rule (hereinafter referred to as the "notice of adding trading qualification") has been received by the Exchange:
  - (1) Payment of the registration fees (only in case the added trading qualification is for the Listed Commodity Component Product of the Exchange markets that a Trading Participant does not hold a trading qualification);
  - (2) Deposit of Guarantee Fund and Trading Participant Security Deposit (deposit of Guarantee Fund will be required if adding the trading qualification of the Listed Commodity Component Product of the Exchange markets with no existing trading qualification, and additional deposit of Trading Participant Security Deposit will be required if deposit amount is not sufficient); and
  - (3) Procedure for the Acquisition of trading qualification prescribed by the Detailed Rules for Trading Participant Enforcement.
2. Notwithstanding the provisions of the preceding paragraph, in cases where trading qualification was added as a result from a merger with a Trading Participant or succession, company split, or business transfer from a Trading Participant, payment of registration fees is not required.
3. In the event that a Trading Participant approved to add trading qualification fails to perform the procedure provided for in Paragraph 1 within the specified period, such Trading Participant shall be deemed to have withdrawn the notice of adding trading qualification.
4. The provisions of Rule 111 shall apply *mutatis mutandis* to the registration fees prescribed in Paragraph 1, Item 1.

#### **Rule 114-3 (Date of Adding Trading Qualification)**

1. A Trading Participant shall add the trading qualification pertaining to the notice of adding trading qualification as of the day on which the procedures provided for in Rule 114-2, Paragraph 1 have been completed.
2. Upon adding the trading qualification pursuant to the provisions of the preceding paragraph, the Exchange shall deliver a Trading Participant Certificate to the Trading Participant who have added the trading qualification and publish the name or trade name of such Trading Participant and, if a Trading Participant is a Corporate Trading Participant, the name of the representative of such Trading Participant.

#### **Rule 115 (Change in the Category of Trading Participant)**

1. A Trading Participant who desires to change category of Trading Participant, as set forth in Rule 106, shall submit to the Exchange, the Application Form for Change in the Category of Trading Participant prescribed by the Detailed Rules for Trading Participant Enforcement containing necessary matters together with the documents deemed necessary by the Exchange.
2. Upon receipt of the application form submitted pursuant to the provisions of the preceding paragraph, the Exchange shall conduct an examination of the application and decide approval or refusal of the applicant.
3. The provisions of Rule 110 and Rule 112 shall apply *mutatis mutandis* to change in the category of Trading Participant under the Paragraph 2.
4. In cases where a Broker Trading Participant or a Remote Broker Trading Participant has

changed its category of Trading Participant, such Trading Participant may not execute transactions which may create a new position for customers in the Exchange market that said change of the category has been approved.

5. In cases where a Broker Trading Participant has changed its category of its Trading Participant, and such Broker Trading Participant had not completed the settlement of its customer transactions, the provisions of Rule 124 shall apply *mutatis mutandis* to the settlement of such transactions (excluding cases in which the Broker Trading Participant has fallen under any of the items of Rule 125).
6. In cases where a Remote Broker Trading Participant has changed its category of Trading Participant and such Remote Broker Trading Participant had not completed the settlement of its customer transactions, the provisions of Rule 126 shall apply *mutatis mutandis* to the settlement of such transactions.

#### **Rule 116 (Notice of Waiver of Trading Qualification)**

1. A Trading Participant may waive the whole or part of its trading qualification by giving advance notice of such waiver no later than 30 days prior to the intended date of the waiver.
2. The advance notice provided for in the preceding paragraph shall be given by submitting to the Exchange the notice of waiver of trading qualification prescribed by the Detailed Rules for Trading Participant Enforcement containing necessary matters together with the documents deemed necessary by the Exchange.
3. In cases where a Trading Participant desires to cancel the notice of waiver of trading qualification or postpone the expected date of waiver of trading qualification, such Trading Participant shall request such cancellation or postponement to the Exchange in the form prescribed by the Detailed Rules for Trading Participant Enforcement containing necessary matters together with the documents deemed necessary by the Exchange by such expected date of waiver; provided, however, that such postponement may be requested only for a period not exceeding 30 days in total.
4. A Trading Participant who submitted the notice of waiver of trading qualification may execute transactions in the Exchange markets covered by said waiver notice only for purposes of settling said transaction.

#### **Rule 117 (Publication of Notice of Waiver of Trading Qualification)**

1. Upon receipt of the Notice of Waiver of trading qualification submitted pursuant to the provisions of Paragraph 2 of the preceding rule, the Exchange shall notify the name or trade name of the applicant, the Exchange markets, and the expected date of waiver of trading qualification to each Trading Participant without delay and publish it.
2. Upon receipt of the cancellation of the notice of waiver of trading qualification or postponement of the expected date of waiver of trading qualification pursuant to the provisions of Paragraph 3 of the preceding rule, the Exchange shall notify such information to each Trading Participant without delay and publish it.
3. In case a Trading Participant has been waived the whole or part of its trading qualification, the Exchange shall publish such information (in the case of Broker Trading Participant (limited to a Trading Participant who has been conducted to trade in the market of Exchange) whose Guarantee fund will be refunded, the waiver of its trading qualification and the refund of Guarantee fund of said Trading Participant) without delay.

#### **Rule 118 (Waiver of Trading Qualification as a Natural Consequence)**

1. Apart from cases provided for in Rule 116, Paragraph 1, a Trading Participant shall waive the whole or part of its trading qualification as a natural consequence of any of the following events:
  - (1) Where a Trading Participant no longer falls under any of the items of Rule 105 for each classification under Rule 106 and each category under Rule 104;
  - (2) Where the Exchange markets in which a Trading Participant trades is closed pursuant to the provisions of Article 95 of the Act;
  - (3) Death or dissolution of a Trading Participant; or

- (4) Revocation of trading qualification.

**Rule 119 (Transactions, etc. In the Case of Merger of the Applicant for Waiver of Trading Qualification)**

1. In cases where a Trading Participant who submitted the full or partial waiver of trading qualification, simultaneously with such waiver, is merged into an entity that is to be, or is the same type of Trading Participant as the applicant or passes on its business to said entity through a company split, transfers its business to such entity, or become Broker from Broker Trading Participant, if the Exchange deems that it is unnecessary to have the applicant cover its unsettled positions resulting from transactions in the TOCOM market that pertain to such Trading Participant, or its unsettled positions based on consignment of commodity clearing transactions, the Exchange may choose not to suspend such transactions in the TOCOM market that pertain to such Trading Participant or consignment of commodity clearing transactions.
2. In cases where a Trading Participant has fallen under any of the following items, a Trading Participant may transfer its unsettled positions resulting from transactions in the TOCOM market that pertain to such Trading Participant or its unsettled positions, based on consignment of commodity clearing transactions, to another Trading Participant:
  - (1) Where a Trading Participant is merged into a Broker, etc. or passes on its business to another Trading Participant or Broker, etc. through a company split or transfers its business to such other Trading Participant or Broker, etc.;
  - (2) Where a Broker who accepts consignment of orders is merged into another Broker, etc. or passes on its business to another Trading Participant or Broker, etc. through a company split or transfers its business to such other Trading Participant or Broker, etc.; and
  - (3) Apart from cases enumerated in the preceding two items, where it is deemed necessary by the Exchange.
3. The provisions of Rule 123, Rule 124, Rule 125 and Rule 126 shall not apply *mutatis mutandis* to cases of transfer of positions under the preceding paragraph.

**Rule 120 (Procedure of Waiver of Trading Qualification)**

1. A Trading Participant intending to waive the part or whole of its trading qualification, or change the category of Trading Participant, shall return the Trading Participant Certificate pertaining to such Trading Participant to the Exchange and perform the procedure pertaining to Trading Participants as prescribed by the Detailed Rules for Trading Participant Enforcement.
2. Broker Trading Participant who waived the trading qualification of TOCOM market which such Trading Participant has been traded may request the refund of guarantee fund from the date 6 months after the date of publication prescribed in Rule 117, Paragraph 3 has been made.
3. The period prescribed in preceding paragraph may change if deemed necessary by the Exchange.

**Rule 121 (Fulfillment of Obligations at the Time of Full Waiver of Trading Qualification)**

1. The Exchange shall appropriate the amount to be refunded or delivered to a Trading Participant who waived the whole of its trading qualification (in the case of guarantee fund, such amount shall be the amount that remains after preferential payment to customers and JSCC; in the case of other deposits, such amount shall be the amount that remains after preferential payment to the Exchange or JSCC) for the fulfillment of any obligations of such Trading Participant owed to the Exchange.
2. If a Trading Participant who waived the whole of its trading qualification has not completed settlement of its transactions in the Exchange markets, or if any amount of obligations to be fulfilled pursuant to the provisions of the preceding paragraph has not been determined, the Exchange may withhold an amount that is deemed appropriate from the total amount to be refunded or delivered to such Trading Participant until completion of the settlement of such transactions or determination of the amount of such obligations.

**Rule 122 (Procedure After Full Waiver of Trading Qualification)**

1. If, after all obligations are fulfilled pursuant to the provisions of Paragraph 1 of the preceding rule, there is any remaining balance to be refunded or delivered to a Trading Participant who waived the whole of its trading qualification, the Exchange shall refund or deliver such amount to a Trading Participant or its general successor (or a Consignor Protection Fund, if, in cases where the proviso clause of Rule 139 applies, the Consignor Protection Fund has exercised the security right).

**Rule 123 (Settlement of Proprietary Position After Waiver of the Trading Qualification)**

1. In cases where a Trading Participant who waived the part or whole of its trading qualification has unsettled proprietary positions in the Exchange markets that waived trading qualification, the Exchange shall have a Trading Participant or a successor who has assumed the rights and obligations pertaining to the unsettled positions (hereinafter referred to as a "Successor") offset such positions within 1 month, unless relevant positions are transferred pursuant to the provision of Rule 84 or there is a person who is to succeed such obligation in accordance with provisions of Rule 127.
2. If the Exchange deems it inappropriate to have a Trading Participant or its Successor offset the positions in the Exchange markets for the purpose of applying the provisions of the preceding paragraph, it shall designate another Trading Participant who may conduct trades in the Exchange markets where such Trading Participant had traded to complete such settlement on behalf of such Trading Participant or its Successor.
3. For the purpose of applying the provisions of Paragraph 1, a Trading Participant who waived its trading qualification or its Successor (excluding a person who is a Trading Participant) shall be deemed to be a Trading Participant only for the purpose of settling said transaction.
4. When the Exchange has another Trading Participant offset the positions pursuant to the provisions of Paragraph 2, it shall be deemed that a contract for the consignment of such transactions is established between a Trading Participant who waived the whole or part of its trading qualification or its Successor and the another Trading Participant.

**Rule 124 (Settlement of Customer Position After Waiver of Broker Trading Qualification)**

1. In cases where a Broker Trading Participant who waived the whole or part of its trading qualification (excluding the case that falls into the following rule) has unsettled customer transactions in the Exchange markets pertaining to such trading qualification, the Exchange shall have a Trading Participant or its Successor offset such positions, unless relevant positions are transferred pursuant to the provisions of Rule 84 or there is a person who is to succeed such obligation in accordance with provisions of Rule 127.
2. A person who had been said Broker Trading Participant in the cases set forth in the preceding paragraph shall be deemed to be a Broker Trading Participant only for the purpose of settling customer transactions.
3. Notwithstanding the provisions of Paragraph 1, if the Exchange deems it inappropriate to have such Trading Participant or its Successor complete settlement of transactions in the Exchange markets, it shall have another Broker Trading Participant complete such settlement.
4. When the Exchange has another Broker Trading Participant complete settlement of transactions, pursuant to the provisions of the preceding paragraph, it shall be deemed that a contract for the consignment of such transactions is established between the said Broker Trading Participant and the customer of said transactions.

**Rule 125 (Special Rules for Settlement of Customer Position After Waiver of Broker Trading Qualification)**

1. Notwithstanding the provisions of the preceding rule, if a Broker Trading Participant has fallen under any of the following items and has not completed settlement of customer transactions in the Exchange markets, the Exchange shall have a Trading Participant of its Successor offset

such positions within 1 month, unless relevant positions are transferred pursuant to the provisions of Rule 84 or there is a person who is to succeed such obligation in accordance with provisions of Rule 127.

- (1) Where the license granted to the Broker Trading Participant under Article 190, Paragraph 1 of the Act is rescinded pursuant to the provisions of Article 235, Paragraph 3 or Article 236, Paragraph 1 thereof;
  - (2) Where the license granted to the Broker Trading Participant under Article 190, Paragraph 1 of the Act ceased to be valid pursuant to the provisions of Article 190, Paragraph 2 or Article 197, Paragraph 2 thereof (limited to the part pertaining to Paragraph 1, Items 1 through 4 of this rule (with regard to Item 2 of the same Paragraph, limited to the part pertaining to a merger in the case where the legal entity surviving a merger or a legal entity established by a merger does not engage in the Commodity Derivatives Business)); and
  - (3) Where the Broker Trading Participant has made a notification under Rule 141, Paragraph 2, Item 3.
2. The provisions of Rule 124, Paragraphs 2 to 4 shall apply *mutatis mutandis* to the settlement of transaction provided for in the preceding paragraph.

### **Rule 126 (Special Rules for Settlement of Customer Position after Waiver of Remote Broker Trading Qualification)**

1. In cases where a Remote Broker Trading Participant who waived the whole or part of its trading qualification has unsettled overseas customer transactions in the Exchange markets pertaining to such trading qualification, the Exchange shall have a Trading Participant or its Successor offset such positions, unless relevant positions are transferred pursuant to the provisions of Rule 84 or there is a person who is to succeed such obligation in accordance with provisions of Rule 127.
2. A person who had been said Remote Broker Trading Participant in the cases set forth in the preceding paragraph shall be deemed to be a Remote Broker Trading Participant only for the purpose of settling customer transactions.
3. Notwithstanding the provisions of Paragraph 1, if the Exchange deems it inappropriate to have such Trading Participant or its Successor complete settlement of transactions in the Exchange markets, it shall have another Remote Broker Trading Participant complete such settlement.
4. When the Exchange has another Remote Broker Trading Participant complete settlement of transactions, pursuant to the provisions of the preceding paragraph, it shall be deemed that a contract for the consignment of such transactions is established between the said Remote Broker Trading Participant and the customer of said transactions.

### **Rule 127 (Succession to the Status of a Trading Participant)**

1. In the event a Trading Participant dies and their heir or devisee (hereinafter in this rule referred to as "Heir") is a Trading Participant who has the same type of trading qualification as that of the deceased Trading Participant, such Heir shall succeed the rights and obligations of the deceased Trading Participant. In this case, the Heir shall notify the Exchange of the fact without delay.
2. In the event a Trading Participant dies, if the Heir is a person who qualifies as a Trading Participant (excluding those provided for in the preceding paragraph), the Heir may succeed the rights and obligations of the deceased Trading Participant provided that the Heir applies for acquisition of a trading qualification pursuant to the provisions of Rule 108 and has obtained a trading qualification within 100 days of the death of a Trading Participant.
3. If there are multiple Heirs in the cases provided for in Paragraph 1 or Paragraph 2, these provisions shall apply to only one Heir designated based on unanimous consent of all the Heirs.
4. In the event that a Trading Participant merges (with regard to a Broker Trading Participant, excluding cases of a merger between a legal entity who is a Commodity Derivatives Broker and a legal entity who is not a Commodity Derivatives Broker, with the former being the surviving legal entity; and limited to cases in which the Broker Trading Participant has obtained a license under Article 225, Paragraph 1 of the Act) or undergoes a company split in part or in full (with regard to a Broker Trading Participant, limited to cases in which the Broker Trading

Participant passes on the whole or part of its Commodity Derivatives Business to another legal entity and has obtained a license under Article 225, Paragraph 1 of the Act), the legal entity surviving the merger or the legal entity established by the merger or the legal entity succeeding to a business by the company split shall succeed to the status of a Trading Participant. In this case (excluding cases in which the successor had already obtained a trading qualification of the same type and in the same category as required for the business succeeded by the merger or company split), the successor shall apply for acquisition of a trading qualification pursuant to Rule 108 or Rule 114, Paragraph 1 or for change in the category of trading qualification pursuant to Rule 115, Paragraph 1 without delay.

5. In the event that a Trading Participant has transferred the whole or part of its business to another legal entity (with regard to a Broker Trading Participant, limited to cases in which the Broker Trading Participant has obtained a license under Article 228, Paragraph 1 of the Act), the legal entity who has acquired the business shall succeed to the status of a Trading Participant. In this case (excluding cases in which the legal entity who has acquired the transferred business had already obtained a trading qualification of the same type and in the same category as required for the acquired business), the successor shall apply for acquisition of a trading qualification pursuant to Rule 108, addition of trading qualification pursuant to Rule 114, Paragraph 1, or for change in the category of trading qualification pursuant to Rule 115, Paragraph 1 without delay.

## **Chapter 4 Duties and Obligations of Trading Participants**

### **Section 1 General Provisions**

#### **Rule 128 (Conclusion of Trading Participant Agreement)**

1. A Trading Participant and the Exchange shall enter into a Trading Participant Agreement prescribed by the Detailed Rules for Trading Participant Enforcement.

#### **Rule 129 (Trading Participant Representative)**

1. If a Trading Participant is a Corporate Trading Participant, such Trading Participant shall, in accordance with the provisions of the Detailed Rules for Trading Participant Enforcement, designate, and notify in advance the Exchange of, one person among its representative directors or representative executives (or if the Corporate Trading Participant is a foreign legal entity, persons who are vested with the power to represent the company in Japan and hold the position equivalent to, or higher, than director or executive) as a person who is appropriate for representing a Trading Participant at the Exchange (hereinafter referred to as a "Trading Participant Representative").
2. Notwithstanding the provisions of the preceding paragraph, a Remote Market Trading Participant or a Remote Broker Trading Participant shall designate, and notify in advance the Exchange of, one person among who are vested with the power to represent the company, as a person who is appropriate for representing the Remote Market Trading Participant or the Remote Broker Trading Participant at the Exchange.
3. A Corporate Trading Participant intending to change the Trading Participant Representative notified to the Exchange pursuant to the provisions of the preceding 2 paragraphs shall notify the Exchange of the intended change.
4. In between a Trading Participant and the Exchange, the Trading Participant Representative may only be the representative of said Trading Participant; provided, however, a person whose responsible area is clearly stated is notified in advance by a Trading Participant to the Exchange as prescribed in the Detailed Rules for Trading Participant Enforcement, such person may act as someone on behalf of the Trading Participant Representative for a daily business activity.

**Rule 129-2 (Person Responsible for Compliance with Laws and Regulations)**

1. A Remote Broker Trading Participant and a Remote Market Trading Participant shall, as specified in the Detailed Rules for Trading Participant Enforcement, apply to the Exchange for appointment of a person holding a position equivalent to or higher than director or executive officer as a Person Responsible for Compliance with Laws and Regulations (meaning a person who enforces board members, executives officers, and employees of said Trading Participant to comply with the Act and other laws and regulations (hereinafter referred to as the "laws and regulations"), dispositions by the administrative authorities under the laws and regulations, and the Articles of Incorporation, Business Rules, Brokerage Rules, and any other regulations of the Exchange, and just and equitable principles of trade (hereinafter referred to as "compliance with the laws and regulations, etc.") and endeavors to establish an internal management system, as well as makes proper contact and coordination with the Exchange, with respect to compliance with the laws and regulations, etc.) and obtain the approval of the Exchange.

**Rule 130 (Contact Agent of Remote Market Trading Participant or Remote Broker Trading Participant)**

1. A Remote Market Trading Participant or a Remote Broker Trading Participant shall, in accordance with the provisions of the Detailed Rules for Trading Participant Enforcement, notify in advance the Exchange of one clearing participant as an agent where receives the notice on behalf of Remote Market Trading Participant or Remote Broker Trading Participant. However, "an agent" shall be replaced with "the representative in Japan" in the case Remote Market Trading Participant or the Remote Broker Trading Participant has a representative in Japan (limited to the person who has an address in Japan) as provided for in Article 817, Paragraph 1 of the Companies Act.
2. "An agent" of the preceding paragraph shall act and proceed immediately in an appropriate manner to the notice received on behalf of Remote Market Trading Participant or Remote Broker Trading Participant.

**Rule 131 (Request for Remediation of Trading Participant's Articles of Incorporation and Other Matters)**

1. If the Exchange determines that the Articles of Incorporation, officers, structure to conduct business activities, partnerships, dominance relationship or business relationships with other persons of a Corporate Trading Participant, are inappropriate the purpose of the Exchange or the operations of the markets of the Exchange, the Exchange may request and demand that the above to be corrected.
2. When the Exchange intends to demand for change to a Trading Participant pursuant to the provisions of the preceding paragraph, The Exchange may notify a Trading Participant of the fact in advance, and provide a Trading Participant, or its proxy, with a reasonable opportunity to provide explanation, if it is determined necessary by the Exchange; provided, however, that in this case a Trading Participant may submit a written statement to the Exchange in lieu of the provision of explanation.
3. If such corporate Trading Participant considers the request for remediation under the preceding paragraph unreasonable, it may object to the request by delivery of a written notice stating the reason for the objection to the Exchange within 10 days after receipt of the request.
4. Upon receipt of the objection provided for in the preceding paragraph, the Exchange shall conduct an examination of such objection without delay.
5. When it is decided by the Exchange that it is appropriate to modify or revoke the request for remediation made pursuant to the provisions of Paragraph 1 as a result of the examination conducted pursuant to the provisions of the preceding paragraph, the Exchange shall immediately modify or revoke such request.
6. In the case referred to in Paragraph 2, if a Trading Participant, or its proxy, who has been given the opportunity to provide explanation fails to attend such meeting without justifiable grounds, the Exchange may request and demand the relevant change, notwithstanding the provisions of Paragraph 2.
7. The Exchange shall notify such Trading Participant with reason if decided to request the

correction provided in Paragraph 1 or carry out the modification or revocation provided in Paragraph 5 in writing without delay.

**Rule 132 (Responses, etc. to Demand for Change)**

1. If a Trading Participant who received a demand for change pursuant to the provisions of Paragraph 1 of the preceding rule has taken measures to respond to the demand by the prescribed due date, a Trading Participant shall notify the Exchange to that effect in writing.
2. The notification pursuant to the provisions of the preceding paragraph shall be accompanied with a note explaining the measures taken in response to the demand.
3. If the Exchange receives the written notice required under Paragraph 1 and determines it appropriate after the examination of the content thereof, the Exchange shall notify a Trading Participant to that effect.

**Rule 133 (Payment of Trading Fees)**

1. A Trading Participant shall pay trading fees to the Exchange in accordance with the provisions of the Trading Fee Detailed Rules.

**Rule 134 (Guarantee Fund)**

1. A Trading Participant shall deposit with the Exchange JPY 1 million per Market Division as Guarantee Fund.
2. A Trading Participant may not trade in the relevant Market without depositing the respective Guarantee Fund set forth in the preceding paragraph.
3. In the event that a Guarantee Fund becomes subject to disposition due to tax delinquency or disposition due to the effects of the disposition due to tax delinquency, or subject to attachment by a court, the Exchange shall make the relevant Trading Participant deposit with the Exchange a certain amount by a certain date and time specified by the Exchange.

**Rule 135 (Preferential Payment of Guarantee Fund)**

1. A person who consigned transactions in the Exchange markets to a Broker Trading Participant shall be entitled to preferential payment with respect to the claims arising from the consignment over other creditors from such Broker Trading Participant's Guarantee Fund relevant to said market.
2. If a counter claim exists against the claim of preferential payment provided for in the preceding paragraph, the claim of a customer who is not a Trading Participant shall take priority over that of a Trading Participant customer.

**Rule 136 (Substitution by Securities)**

1. The Guarantee Fund may be deposited in the form of securities (hereinafter referred to as "Substitute Securities").
2. Substitute Securities provided for in the preceding paragraph shall be one or more of the following securities; provided, however, that the securities enumerated in Items 4 through 9 shall be limited to those designated by the Exchange:
  - (1) National government bond certificates or local government bond certificates;
  - (2) Subscription certificates issued by the Bank of Japan;
  - (3) Bond certificates issued by a legal entity pursuant to special Acts;
  - (4) Share certificates traded on an exchange instruments financial market;
  - (5) Share certificates registered in the over-the-counter securities registry prescribed in Article 67-11, Paragraph 1 of the Financial Instruments and Exchange Act;
  - (6) Share certificates (except for share certificates set forth in the preceding two items) issued by a bank pursuant to the Banking Act (Act No. 59 of 1981);
  - (7) Corporate bond certificates issued by a corporation that issues share certificates set forth in Item 4 or Item 5;
  - (8) Beneficiary certificates prescribed in Article 185, Paragraph 1 of the Trust Act (Act No.

108 of 2006), beneficiary certificates prescribed in Article 2, Paragraph 7 of the Act Concerning Investment Trusts and Investment Corporations (Act No. 198 of 1951) and beneficiary certificates prescribed in Article 2, Paragraph 2 of the Loan Trust Act (Act No. 195 of 1952); and

- (9) Investment securities prescribed in Article 2, Paragraph 15 of the Act Concerning Investment Trusts and Investment Corporations, investment corporation bond certificates prescribed in Article 2, Paragraph 18 thereof, and foreign investment securities prescribed in Article 220, Paragraph 1 thereof.
3. The Substituting Price of the Substitute Securities shall be the amount determined in accordance with the Detailed Rules for Trading Participant Enforcement and based on the recent market value of the securities, provided that such price does not exceed the price provided for in Article 39 of the Ordinance.
4. In the event that the amount of Guarantee Fund deposited by a Trading Participant falls below the required amount due to changes in the type or issue of Substitute Securities or change in the Substituting Price, the Exchange shall have such Trading Participant deposit the incremental amount within the period of time designated by the Exchange, and in the event that such amount exceeds the required amount, the Exchange will refund the excess upon Trading Participant request.

#### **Rule 137 (Designation Standards for Substitute Securities)**

1. Designation of Substitute Securities set forth in Items 4 through Item 8 of the preceding rule shall be limited to securities satisfying the following requirements:
  - (1) For securities with a face value, the market value shall exceed one half of the face value;
  - (2) For share certificates issued by a bank, the issuer bank shall be a bank designated by the Exchange and with whom the Exchange has a business relationship;
  - (3) For corporate bonds, such corporate bonds shall be traded in an exchange instruments financial market and registered on the over-the-counter securities registry provided for in Article 67-11, Paragraph 1 of the Financial Instruments and Exchange Act; and
  - (4) For beneficiary certificates within the meaning of Article 2, Paragraph 2 of the Loan Trust Act, over 1 year has passed since the expiration date of the loan trust pertaining to such beneficiary certificates.
2. In cases where the Substitute Securities no longer satisfy the requirement set forth in the preceding paragraph, the Exchange shall cancel the designation for the securities without delay.
3. In addition to the provisions of the preceding rule and the preceding two paragraphs, the Exchange shall determine all matters necessary for substitution by the Substitute Securities.

#### **Rule 138 (Deposit of Trading Participant Security Deposit)**

1. A Trading Participant shall, to trade in the markets of the Exchange, deposit with the Exchange the Trading Participant Security Deposit pursuant to the provisions prescribed by the Exchange in order to ensure fulfillment of the Trading Participant's obligations pertaining to trading fees charged pursuant to the provisions of Rule 133.
2. The Trading Participant Security Deposit may be deposited in the form of securities in accordance with the provisions prescribed by the Exchange.
3. The provision of Rule 136, Paragraph 3 and Paragraph 3 of the preceding rule shall apply *mutatis mutandis* to the deposit prescribed in the preceding paragraph.

#### **Rule 139 (Prohibition of Transfer of Right to Claim Return of Guarantee Fund)**

1. No Trading Participant may transfer or offer as a pledge to other person(s) the right to claim return of Guarantee Fund or Trading Participant Security Deposit; provided, however, that a Broker Trading Participant may pledge its right to claim return of Guarantee Fund to the Consignor Protection Fund.

#### **Rule 140 (Limitation of Liability for Use of Facilities)**

1. The Exchange shall not be liable for any damage that a Trading Participant incurs from use of the facilities of the Exchange, including but not limited to computerized trading systems used by the Exchange; provided, however, that the same shall not apply if it is found that such damages were caused by the Exchange intentionally or by gross negligence.

**Rule 140-2 (Obligation to Obtain Approval for Mergers, etc.)**

1. A Trading Participant must obtain a prior approval of the Exchange when it intends to take the following actions:
  - (1) Merger with another legal entity in the event that a Trading Participant is to become the surviving company post-merger (excluding those referred to in the Detailed Rules for Trading Participant Enforcement);
  - (2) Passing on part of the business to another legal entity as a result of a company split (excluding those referred to in the Detailed Rules for Trading Participant Enforcement);
  - (3) Succession of the whole business or part of the business from another legal entity as a result of company split (excluding those referred to in the Detailed Rules for Trading Participant Enforcement);
  - (4) Transfer of part of the business (excluding those referred to in the Detailed Rules for Trading Participant Enforcement); or
  - (5) Acquisition of the whole business or the part of the business (excluding those referred to in the Detailed Rules for Trading Participant Enforcement).
2. A Trading Participant that intends to obtain the approval set forth in the preceding paragraph must make a notification and application to the Exchange as stipulated by the Detailed Rules for Trading Participant Enforcement.
3. When the Exchange conducts examination based on the examination prescribed in Rule 109, Paragraph 1, and deems that an action prescribed in each item of Paragraph 1 is inappropriate in the light of the objectives of the Exchange or operations of TOCOM markets, the Exchange may, after holding hearings with said Trading Participant, refuse to give approval referred to in the same Paragraph.
4. The provisions of the provisos to Paragraph 1, Paragraph 2 and 3 of Rule 154 and the provisions of Rule 160 shall apply mutatis mutandis to the refusal referred to in the preceding paragraph.
5. In the cases where a Trading Participant has obtained approval referred to in Paragraph 1 and is required by the Exchange to report on its financial condition or any other matter deemed appropriate by the Exchange, it must immediately report the details to the Exchange.

**Rule 141 (Matters to be Notified)**

1. A Trading Participant shall notify the Exchange, in writing, of the occurrence of any of the following events, without delay (or beforehand in the case of Item 15):
  - (1) A Trading Participant no longer satisfies the trading qualification set forth in each of the items of Rule 104 or a Trading Participant has fallen under any of the disqualifying conditions set forth in each of the items of Rule 107, Paragraph 1;
  - (2) A Trading Participant becomes insolvent, or otherwise falls into conditions that a Trading Participant is unable to perform contractual obligations to the Exchange or of an agreement with other Trading Participants by such Trading Participant;
  - (2)-2 A Trading Participant falls into conditions that a Trading Participant may become insolvent;
  - (3) A Trading Participant becomes subject to suspension of business transactions with a bank;
  - (4) There has been a change in the name or trade name (including the company name; the same shall apply hereinafter) of a Trading Participant;
  - (5) There has been a change in the name or address of the main office or the primary office (or if a Trading Participant is the Remote Market Trading Participant or Remote Broker Trading Participant, the name or address of the main office or the office in charge of the transaction at TOCOM) of a Trading Participant;
  - (6) If a Trading Participant is a legal entity, there has been a change in the Articles of Incorporation or officers of said Trading Participant;

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- (7) A Trading Participant becomes subject to litigation arising from transactions in the TOCOM market, or a judgment thereof is delivered;
  - (8) A Trading Participant becomes subject to disposition due to a tax delinquency or an attachment due to the effects of disposition due to a tax delinquency, or subject to an attachment, a provisional disposition, or any other preservative measures by a court order;
  - (9) A Trading Participant becomes subject to criminal prosecution;
  - (10) A Trading Participant becomes or stops being a member or trading participant of another commodity exchange or Osaka Exchange;
  - (11) A Trading Participant intends to obtain or has obtained, or intends to waive or has waived clearing qualification;
  - (12) A Trading Participant intends to undertake a merger, company split or transfer its business (or if a Trading Participant is a Broker Trading Participant who trade in TOCOM market, in the event that such Trading Participant intends to undertake a merger, company split, transfer it business, pass on the business or acquire the business (excluding those applied in accordance to Rule 140-2, Paragraph 2) ;
  - (13) A Trading Participant intends to change the listed commodities that such Trading Participant trades in the TOCOM market;
  - (14) If a Trading Participant has liabilities in excess of assets or any question arose in its' audit report;
  - (15) If a Trading Participant intends to participate in holiday trading;
  - (16) A Trading Participant becomes subject to investigation, disposition, or punishment for the transaction in TOCOM market in accordance with the provisions of the Regulation;
  - (17) A Trading Participant received the improvement order, etc. from the administrative authorities as a result of the investigation provided in the proceeding item or report the improvement plan etc. to the administrative authorities as a result of the investigation prescribed in the proceeding item or of the disposition taken by the authorities;
  - (18) A Trading Participant acknowledged a breach of the Articles of Incorporation, Market Rules, Brokerage Rules, and other rules of the Exchange or the Act regarding transactions in the TOCOM market;
  - (19) A Trading Participant intends to change or newly settle the rules provided below:
    - (i) the internal rules regarding trading management system settled in accordance with the provision provided in Rule 149-3;
    - (ii) the internal rules regarding order management system settled in accordance with the provision provided in Rule 149-4; and
    - (iii) the internal rules regarding risk management system settled in accordance with the provision provided in Rule 149-5 or other rules regarding management system prescribed by the Exchange.
  - (20) A Trading Participant acknowledged an operational trouble of the system or facility relating to the transactions in TOCOM markets.
2. A Broker Trading Participant or a Remote Broker Trading Participant shall notify the Exchange, in writing, of the occurrence of any of the following events, without delay:
- (1) The Broker Trading Participant has made notification to the Consignor Protection Fund pursuant to the provision of Article 303, Paragraph 1 of the Act;
  - (2) The Broker Trading Participant obtained permission of the Regulating Minister pertaining to a merger, company split, or transfer of business under Article 225, Paragraph 1, and Article 228, Paragraph 1 of the Act;
  - (3) The Broker Trading Participant abolishes the business pertaining to the activities listed in Article 2, Paragraph 22, Item 1 or 2 of the Act at all the sales and business offices established in Japan;
  - (4) The Remote Broker Trading Participant abolishes the business pertaining to the activities listed in the laws and regulations of said foreign state equivalent to Article 2, Paragraph 22, Item 1 or 2 of the Act at all the sales and business offices that handle the transaction in TOCOM; or
  - (5) The Broker Trading Participant has fallen under cases separately prescribed by the Detailed Rules for Trading Participant Enforcement.
3. In cases where a Broker Trading Participant who trade in TOCOM market falls under any of the following items, such Broker Trading Participant shall immediately notify the

- Exchange such situation in writing.
- (1) Where the amount of Net Asset Regulation Ratio (meaning Net Asset Regulation Ratio prescribed in Article 211 of the Act; the same shall apply hereinafter) falls below 140 percent; and
  - (2) Where the amount of Net Asset falls below JPY 300 million.
4. In cases when a Trading Participant has fallen under any of the following items, the person specified in the respective item shall notify the Exchange, in writing, of the occurrence of any of the following events, without delay:
- (1) In the event dissolution of a Corporate Trading Participant following the decision of commencement of bankruptcy proceedings or in the event that an individual Trading Participant receives a decision of a commencement of bankruptcy proceedings, the receiver of such Trading Participant;
  - (2) In the event of dissolution of a Corporate Trading Participant due to reasons other than merger or the decision of commencement of bankruptcy proceedings, the liquidator of such Trading Participant;
  - (3) In the event that an individual Trading Participant dies, the heir of the Trading Participant; or
  - (4) In the event that an individual Trading Participant is adjudged incompetent, the statutory representative of the Trading Participant.
5. Notification made pursuant to the provisions of the preceding each paragraph shall be accompanied by documents prescribed by the Exchange.

#### **Rule 142 (Reporting of Financial Results)**

1. Each business year, a Trading Participant shall submit to the Exchange the relevant Financial Statements, etc. or Securities Report or any other documents equivalent thereto by the date specified by the Exchange.
2. Upon request by the Exchange, a Trading Participant shall submit to the Exchange a record concerning the amount of the net assets prepared in accordance with the provisions of Article 99, Paragraph 7 of the Act and Article 38 of the Ordinance and any other documents determined necessary by the Exchange by the date specified by the Exchange.

#### **Rule 143 (Separate Accounting and Retention of Books)**

1. A Trading Participant shall account for transactions in the Exchange markets separately from transactions outside the Exchange markets.
2. The books concerning transactions in the Market provided for in the preceding paragraph and other documents concerning business operations shall be prepared in accordance with the provisions of Article 50, Paragraph 2 of the Ordinance, and maintained in the main office, a branch, or another sales or business office of such Trading Participant, and kept for a period of 10 years pursuant to the provisions of Article 50, Paragraph 3 thereof. Such books may be kept by electromagnetic means in accordance with Article 51 of the Ordinance.

#### **Rule 144 (Separate Accounting and Retention of Books of Broker Trading Participants)**

1. A Broker Trading Participant shall account for proprietary transactions separately from customer transactions and transactions pertaining to the acceptance of consignment of transactions in the Exchange markets, etc. (limited to those listed in Article 2, Paragraph 21, Item 1 of the Act (excluding Commodity Clearing Transactions) or those listed in Article 2, Paragraph 21, Item 3 of the Act) separately from transactions pertaining to the acceptance of consignment of transactions in the Exchange markets, etc. (limited to brokerage listed in Article 2, Paragraph 21, Item 2 or 4 of the Act) on the books provided for in Article 113, Paragraph 1, Item 2 of the Ordinance (excluding the Journal of Commodity Derivative Transactions; the same shall apply hereinafter in this rule).
2. The books provided for in Article 113, Paragraph 1, Items 1 and 2 of the Ordinance shall be prepared in accordance with the provisions of Article 113, Paragraph 1 thereof, maintained in the main office, a branch, or another sales or business office of such Broker Trading Participant,

and kept for a period of 5 years in the case of books provided for in Article 113, Paragraph 1, Item 1 thereof or for a period of 10 years in the case of books provided for in Article 113, Paragraph 1, Item 2 thereof (or for a period of 7 years in the case of order forms) pursuant to the provisions of Article 113, Paragraph 2 thereof. Such books may be kept by electromagnetic means in accordance with Article 114 of the Ordinance.

#### **Rule 145 (Separate Accounting and Retention of Books of Remote Broker Trading Participants)**

1. A Remote Broker Trading Participant shall account for proprietary transactions separately from customer transactions and transactions.
2. The books shall be prepared in the manner prescribed by the Detailed Rules for Trading Participant Enforcement, maintained in the sales or business office of such Remote Broker Trading Participant where handles the transaction in TOCOM markets, and kept for a period of 10 years. Such books may be kept by electromagnetic means in accordance with Rule 143, Paragraph 2.

#### **Rule 146 (Demand for Submission of Books and Audit)**

1. The Exchange may order the submission of books, documents and other materials set forth in the preceding three rules and an explanation thereof, whenever deemed necessary by the Exchange.
2. Where it is deemed necessary for the purpose of reporting to the Regulating Minister pursuant to the provisions of Article 112, Item 2 of the Act, Article 48 of the Ordinance, Article 157, Paragraph 1 of the Act, or Article 349-2, Paragraph 1 of the Act, the Exchange may order Trading Participants to submit books, documents and other materials and may seek an explanation thereof.
3. Upon a request for information from Osaka Exchange, in relation to the inspection being conducted for the purpose of maintaining fairness in the market derivatives transactions and others, and from JSCC, in relation to the inspection being conducted for the purpose of maintaining fairness in the course of its business of assuming commodity transaction debts, the Exchange may order Trading Participants to submit books, documents and other materials set forth in the preceding three rules and an explanation thereof, where it deems appropriate for the Exchange to respond to such request.
4. If the Exchange has entered into an Information Exchange Agreement and the Exchange is requested to provide information based on such agreement, and if the Exchange considers it appropriate to meet such request, the Exchange may respond to such request. In such case, the Exchange may order the relevant Trading Participant to submit documents required, and give explanations to the Exchange.
5. The Exchange may dispatch its staff to an office or branch of a Trading Participant or an office or branch of the person who is under control of or related to the Trading Participant to audit books, documents and other materials relevant to the business operations of such Trading Participant, where deemed necessary by the Exchange.
6. A Trading Participant may not refuse an order for submission of books and documents under Paragraphs 1 through 4 and audit under the preceding paragraph without justification..
7. The Exchange may require a Trading Participant to be audited by a certified public accountant and to submit an audit report prepared by the certified public accountant when it is deemed necessary by the Exchange to verify the assets and accounting conditions of the Trading Participant.

#### **Rule 147 (Input of Orders Through System Trading)**

1. An input of buy or sell order through System Trading shall be done by Trading Participants, or an officer or employee of Trading Participants, if they are Corporate Trading Participants.
2. Trading Participants shall be liable for any and all actions relevant to the orders set forth in the preceding paragraph.

**Rule 148 (Prohibition of False Report on Transaction)**

1. With respect to transactions in the TOCOM market, Trading Participants shall not misrepresent facts regarding whether a transaction pertains to a new sale or purchase, or offset sale or purchase and other similar matters.

**Rule 149 (Duties of Employer)**

1. A Broker Trading Participant or a Remote Broker Trading Participant shall be liable for the actions of its employees, taken between such employees and a customer of such Broker Trading Participant or an Overseas Customer of such Remote Broker Trading Participant, regarding transactions in the TOCOM market.

**Rule 149-2 (Restriction on Acceptance of Consignment by Remote Broker Trading Participant)**

1. No Remote Broker Trading Participant may accept consignment of transactions on TOCOM markets for the accounts of customers residing in Japan, with knowledge that the said customers are residing in Japan.

**Rule 149-3 (Establishment of Trading Management System)**

1. A Trading Participant must establish trading management systems relating to the prevention of unfair trading in accordance with the Detailed Rules on Trading Supervision Systems at Trading Participants to Prevent Unfair Trading.

**Rule 149-4 (Establishment of Order Management System)**

1. A Trading Participant must establish order management system in order to prevent acceptance and placement of erroneous orders in accordance with the Detailed Rules for Order Management Systems at Trading Participants.

**Rule 149-5 (Establishment of Risk Management System)**

1. A Trading Participant must, as prescribed in the Detailed Rules for Trading Participant Enforcement, establish risk management system (meaning system managing a risk which can result from fluctuations in prices of the holding positions, a contract default by a transaction counter party or any other reasons) regarding to the positions (meaning an aggregate composed by the said Trading Participant's unsettled contracts) pertaining to the transactions on TOCOM market.

**Section 2 Duties and Obligations of Trading Participants Without Clearing Qualification**

**Rule 150 (Appointment of Designated Clearing Participant)**

1. A Non-Clearing Participant shall make and enter into a Clearing Agreement with a General Clearing Participant (meaning a Clearing Participant with a General Clearing Qualification; the same shall apply hereinafter) for the consignment of commodity clearing transactions pertaining to the transactions in the TOCOM market, and designate one General Clearing Participant to act continuously as a consignee of commodity clearing transactions (hereinafter referred to as a "Designated Clearing Participant").
2. A Non-Clearing Participant intending to appoint or change a Designated Clearing Participant shall make application and obtain approval of the Exchange in advance, in the manner prescribed by the Detailed Rules for Trading Participant Enforcement.

### **Rule 151 (Notification of Conclusion of Clearing Agreement)**

1. A Non-Clearing Participant intending to enter into a Clearing Agreement shall notify the Exchange in advance of the details of such agreement in the manner prescribed by the Detailed Rules for Trading Participant Enforcement.

### **Rule 152 (Report on Termination of Clearing Agreement)**

1. In the event of termination of a Clearing Agreement, a Non-Clearing Participant shall notify the Exchange of the details of the termination in a manner prescribed in each of the following items in accordance with the types of termination enumerated in the following items:
  - (1) Termination through mutual agreement:  
By the date no later than three (3) days (excluding holidays) prior to the intended date of said termination.
  - (2) Termination by advance written notice from the Non-Clearing Participant to the General Clearing Participant.  
Immediately after the date of receiving the advance written notice.
  - (3) Termination by advance written notice from the General Clearing Participant to the Non-Clearing Participant (exclude the cancellation provided in Item 5):  
Immediately after the date of receiving the advance written notice.
  - (4) Termination due to acceleration of obligations of the Non-Clearing Participant arising from transactions based on consignment of commodity clearing transactions:  
By the date no later than the day immediately preceding the intended date of said termination.
  - (5) Termination due to forfeiture of benefit of time for obligations of the non-Clearing Participant relating to transactions based on the consignment of brokerage for commodity clearing transaction:  
Immediately after receiving said notification of intention of special termination and no later than the day immediately preceding the intended date of said termination.

## **Chapter 5 Sanctions and Measures Against Trading Participants**

### **Rule 153 (Sanctions Against Trading Participants)**

1. If it is determined that a Trading Participant falls under any of the following items, the Exchange may impose on such Trading Participant sanctions specified in the respective item:
  - (1) In the event that a Trading Participant fails to pay or deposit money or Substitute Securities for its trading fees, Trading Participant Security Deposit, Guarantee Fund and any other liabilities to the Exchange by the due date prescribed by the Exchange, the Exchange may give censure, suspend or restrict such Trading Participant from transactions or consignment of commodity clearing transactions in the Exchange markets in whole or in part, for a period of up to 6 months, or revoke the trading qualification of such Trading Participant;
  - (2) In the event that a Trading Participant lends its name to others for transactions in the TOCOM market, the Exchange may impose a fine in the amount of JPY 100 million (100,000,000) or less, suspend or restrict such Trading Participant from transactions or consignment of commodity clearing transactions in the Exchange markets in whole or in part, for a period of up to 6 months, or revoke the trading qualification of such Trading Participant;
  - (3) In the event that a Trading Participant substantially disturbs the execution of trades of the Market by unreasonably objecting to the executions in the TOCOM market, or substantially impedes the executions of other Trading Participants without justifiable reason, the Exchange may give censure, impose a fine in the amount of JPY 100 million (100,000,000) or less, suspend or restrict such Trading Participant from executing transactions or consignment of commodity clearing transactions in the Exchange markets, in whole or in part, for a period of up to 6 months, or revoke the trading qualification of such Trading Participant;

- (4) In the event that a Trading Participant is suspended from conducting transactions with banks, the Exchange may suspend or restrict such Trading Participant from transactions or consignment of commodity clearing transactions in the Exchange markets in whole or in part for a period of up to 6 months, or revoke the trading qualification of such Trading Participant;
  - (5) In the event of misrepresentation of the amount of net assets, the Exchange may impose a fine in the amount of JPY 100 million (100,000,000) or less, suspend or restrict such Trading Participant from transactions or consignment of commodity clearing transactions in the Exchange markets, in whole or in part, for a period of up to 6 months or revoke the trading qualification of such Trading Participant;
  - (6) In the event that the Exchange orders a Trading Participant to submit books and other documents or reports, or summons the Trading Participant or its employee to appear in person before the Exchange with justifiable reasons, and such Trading Participant fails to obey such order or summons without justifiable reason, or submits false books, or other documents or reports, the Exchange may give censure, impose a fine in the amount of JPY 100 million (100,000,000) or less, suspend or restrict such Trading Participant from transactions or consignment of commodity clearing transactions in the Exchange markets in whole or in part, for a period of up to 6 months, or revoke the trading qualification of such Trading Participant;
  - (7) In the event that a Trading Participant does not comply with the instructions of the Exchange or matters determined by the Exchange, or avoids complying with such matters without justifiable reason, the Exchange may give censure, impose a fine in the amount of JPY 100 million (100,000,000) or less, suspend or restrict such Trading Participant from transactions or consignment of commodity clearing transactions in the Exchange markets in whole or in part, for a period of up to 6 months, or revoke the trading qualification of such Trading Participant;
  - (8) In the event that a Trading Participant behaves or acts in a manner that breaches the just and equitable principles of trade, or harms or disgraces the reputation of the Exchange or its Trading Participants, the Exchange may give censure, impose a fine in the amount of JPY 100 million (100,000,000) or less, suspend or restrict such Trading Participant from transactions or consignment of commodity clearing transactions in the Exchange markets in whole or in part for a period of up to 6 months, or revoke the trading qualification of such Trading Participant; or
  - (9) In addition to the matters set forth in each of the preceding items, in the event that a Trading Participant violates laws and regulations, Articles of Incorporation, Market Rules, Brokerage Rules, Dispute Resolution Regulations, or other provisions of rules set forth by the Exchange, or any disciplinary actions under such rules, the Exchange may give censure, impose a fine in the amount of JPY 100 million (100,000,000) or less, suspend or restrict such Trading Participant from transactions or consignment of commodity clearing transactions in the Exchange markets in whole or in part for a period of up to 6 months, or revoke the trading qualification of such Trading Participant.
2. In cases where Exchange has given censure, imposed a fine, or ordered the suspension or restriction of the whole or a part of transactions or consignment of commodity clearing transactions in the Markets for a certain period, under any of the cases set forth in the preceding paragraph, in addition to these sanctions, the Exchange may order a Trading Participant to take measures to remedy the situation arising from the acts giving rise to the sanction or sanctions set forth in each item of the preceding paragraph before a prescribed date.
  3. The Exchange may revoke the trading qualification of such Trading Participant who fails to take the measures ordered before the prescribed date, as provided for in the preceding paragraph.
  4. If a Trading Participant falls under any of the items provided for in Paragraph 1 as a result of the acts of its employees, the Trading Participant may not be excused from sanctions on grounds that the sanctions are attributable to its employees.
  5. Under Paragraph 1, the Exchange may impose a fine, in addition to suspending or restricting transactions or consignment of commodity clearing transactions, or both.
  6. If a Trading Participant who is subject to a sanction of suspension or restriction of transactions or consignment of commodity clearing transactions in the Exchange markets, in whole or in

part, or revocation of trading qualification under the provisions of Paragraph 1 or Paragraph 3, is also a member or trading participant of another commodity exchange, the Exchange will inform such other commodity exchange of the Trading Participant's name or trade name, type of sanction and the reason therefore, as well as provide a summary of the examination process in time so that the information is received by the other commodity exchange before the sanction is enforced.

7. Concerning a Trading Participant who is subject to a sanction of suspension or restriction of transactions or consignment of commodity clearing transactions in the Exchange markets, in whole or in part, or revocation of trading qualification under the provisions of Paragraph 1 and Paragraph 3, the Exchange will inform JSCC of the name or trade name, type of sanction and the reason therefore, along with a summary of the examination process of such Trading Participant in time so that the information is received by JSCC before the sanction is enforced.

#### **Rule 154 (Opportunity to Provide Explanation Against Sanctions)**

1. When the Exchange intends to impose sanctions on a Trading Participant pursuant to the provisions of the preceding rule, the Exchange shall notify a Trading Participant of the fact in advance, and shall provide a Trading Participant, or its attorney, with a reasonable opportunity to provide explanation; provided, however, that in this case a Trading Participant may submit a written statement to the Exchange in lieu of the provision of explanation.
2. For the purpose of applying the provisions of the preceding paragraph to revocation of trading qualification of a Trading Participant, a written notice stating the fact and the reason of such revocation shall be delivered to a Trading Participant at least 10 days before the date of such meeting.
3. If a Trading Participant who has been given the opportunity to provide explanation under Paragraph 1, or its attorney, fails to attend such opportunity, the Exchange may resolve on the imposition of the sanction, notwithstanding the provisions of Paragraph 1.

#### **Rule 155 (Measures for Trading Participants Subject to Dispositions by Laws and Regulations)**

1. In cases where a Trading Participant is ordered to suspend transactions in the Exchange markets or the Commodity Derivatives Business by the Regulating minister under Article 232, Paragraph 2, Article 235, Paragraph 2, and Article 236, Paragraph 1 of the Act, the Exchange shall, in accordance of the specifics of such disposition, impose on such Trading Participant sanctions of suspension or restriction of transactions or consignment of commodity clearing transactions, in the whole or part of the Exchange markets.
2. The provisions of Rule 162 shall apply *mutatis mutandis* to cases in which the Exchange imposed sanctions pursuant to the provisions of Paragraph 1.

#### **Rule 156 (Suspension of Transaction)**

1. In the event that Trading Participants fall under the following Items 1 through 5, the Exchange will take measures specified in the respective item and if that Trading Participants fall under the following Item 6 or 7, the Exchange may take measures specified in the respective item; provided, however, that, with regard to Item 4 or Item 5, if the relevant Broker Trading Participant continues to be a Trading Participant of the Exchange, the Exchange may take measures specified in each item to the extent the Exchange considers necessary:
  - (1) In the event that a Clearing Participant has its clearing qualification revoked by JSCC or is subject to suspension of all or a part of assumption of liabilities (excluding those cases arising from the measures taken pursuant to the provisions of Paragraph 2, Item 2 of the next rule), the Exchange will suspend such Clearing Participant from transactions in the TOCOM market to the extent that it corresponds to the revocation or suspension;
  - (2) In the event that a Designated Clearing Participant of a Non-Clearing Participant has its clearing qualification revoked by JSCC, or subject to suspension of all or a part of assumption of liabilities, the Exchange will suspend such Non-Clearing Participant from transactions or consignment of commodity clearing transactions in the TOCOM market to the extent that it corresponds to the revocation or suspension;

- (3) In the event that a Non-Clearing Participant has not designated a Designated Clearing Participant, the Exchange will suspend such Non-Clearing Participant from transactions or consignment of commodity clearing transactions in the TOCOM market;
  - (4) In the event that a Broker Trading Participant or a Remote Broker Trading Participant has given a public notice, in accordance with Article 197, Paragraph 3 of the Act or equivalent laws or Rules in foreign jurisdiction, and such Broker Trading Participant or Remote Broker Trading Participant does not submit the notice for full waiver of trading qualification provided for in Rule 116, the Exchange will suspend such Broker Trading Participant from transactions, or consignment of commodity clearing transactions, in the TOCOM market; and
  - (5) In the event that a Broker Trading Participant has made a notification under Rule 141, Paragraph 2, Item 3, or a Remote Broker Trading Participant has made a notification under Rule 141, Paragraph 2, Item 4, the Exchange will suspend such Broker Trading Participant from transactions, or consignment of commodity clearing transactions, in the TOCOM market.
  - (6) In the event that a Broker Trading Participant who trade at TOCOM market falls under the following Item (i) or (ii), the Exchange may suspend such Trading Participant from transactions or consignment of commodity clearing transaction in the TOCOM market.
    - (i) the amount of Net Asset Regulation Ratio falls below 140 percent; and
    - (ii) the amount of Net Asset falls below JPY 300 million.
  - (7) In the event that a Trading Participant may become insolvent, the Exchange may suspend such Trading Participant from transactions or consignment of commodity clearing transaction in the TOCOM market (limited to the time until such circumstances have been resolved).
2. In the case of Item 3 of the preceding paragraph, when a Designated Clearing Participant is no longer a Designated Clearing Participant following the cancellation of a Clearing Agreement with a Non-Clearing Participant, notwithstanding the provisions of said Paragraph, such Non-Clearing Participant may, subject to the approval of the Exchange, consign transactions or commodity clearing transactions in the TOCOM market, to the extent necessary for the liquidation of remaining positions of the Non-Clearing Participant in the TOCOM market.
  3. In the case of the preceding paragraph, the person who was a Designated Clearing Participant until then, shall be deemed the Designated Clearing Participant of the Non-Clearing Participant only for the purpose of settle the remaining positions of the Non-Clearing Participant in the TOCOM market.
  4. In cases where Trading Participants who fall under Paragraph 1 (limited to the cases falling under Item 3 through Item 5 or the cases when measures prescribed in Item 6 or Item 7 has been taken) are a member or trading participant of another commodity exchange, the Exchange shall notify such other commodity exchange of the name or trade name of said Trading Participant and details of the event.
  5. The Exchange shall notify JSCC of the name or trade name of Trading Participant who fell under Paragraph 1 (limited to the cases falling under Item 3 through Item 5 or the cases when measures prescribed in Item 6 or Item 7 has been taken) and details of the event.
  6. Rule 154 Paragraph 1 or Paragraph 3 shall apply *mutatis mutandis* to the case where the Exchange intends to take measures in accordance with the provision prescribed in Paragraph 1, Item 6 or Item 7, Rule 160 shall apply *mutatis mutandis* to the case where the Exchange took measures in accordance with the provision prescribed in Paragraph 1, Item 6 or Item 7, and Rule 162 shall apply *mutatis mutandis* to the case where the Exchange intends to take or took measures prescribed in Paragraph 1. In this case, "publish" in Rule 162, Paragraph 2 shall be replaced with "publish; provided, however, that the same shall not apply to cases where measures pursuant to Rule 156, Paragraph 1, Item 1 are taken if the Exchange deems it appropriate not to publish, taking into account the importance of measures to be published or the possible impact on the market if said publication is made."
  7. In the case where the measure prescribed in Item 1, Item 2, Item 6, or Item 7 of Paragraph 1 has been taken, a Trading Participant suspended from transactions or consignment of commodity clearing transactions in TOCOM market by the Exchange may, subject to the approval of the Exchange, consign transactions or commodity clearing transactions in the TOCOM market, to the extent necessary for the liquidation of remaining positions of such Trading Participant in TOCOM market.

### **Rule 157 (Measures in the Case of Default)**

1. In the event that Trading Participants fall under either of the following items, the Exchange shall suspend transactions in, or consignment of, commodity clearing transactions of such Trading Participant (hereinafter referred to as a "defaulting person") in the TOCOM market, and settle the positions of such Trading Participant in accordance with the provisions of Part 2 Chapter 10; provided, however, a defaulting person may, subject to the approval of the Exchange, consign transactions or commodity clearing transactions in the TOCOM market, to the extent necessary for the liquidation of remaining positions prescribed in Part 2 Chapter 10:
  - (1) Trading Participants do not deposit Guarantee Fund or Trading Participant Security Deposit; or
  - (2) Trading Participants do not pay or deposit trading fees or other money that is required to pay to, or deposit with the Exchange.
2. In the event that Trading Participants fall under any of the following items, the Exchange shall deem said Trading Participant a defaulting person and shall apply the provisions of the preceding paragraph to the defaulting person:
  - (1) When Trading Participants have received notification of the commencement of bankruptcy proceedings, or equivalent notification at foreign jurisdiction;
  - (2) For Clearing Participants, when such Clearing Participants are considered insolvent by JSCC;
  - (3) When there is a notification as per Rule 141, Paragraph 1, Item 2; and
  - (4) When Trading Participants have become a Defaulting Person in another commodity exchange or equivalent exchange in foreign jurisdiction.
3. When a Designated Clearing Participant of a Non-Clearing Participant becomes a Defaulting Person pursuant to the preceding two paragraphs, such Non-Clearing Participant shall be deemed to be a Defaulting Person to whom the provisions of Paragraph 1 apply, unless such Non-Clearing Participant immediately designates a new Designated Clearing Participant, or otherwise the Exchange acknowledges that there is no need to deem such Non-Clearing Participant to be a defaulting person.
4. In cases where Trading Participants fall under Paragraph 1, (including cases in which the provisions of Paragraph 1 are applied under Paragraph 2 (limited to the cases falling under Item 1 or Item 3) or Paragraph 3 (limited to the cases falling under Paragraph 1 or Item 1 of Paragraph 2)) are also a member or trading participant of other commodity exchanges in Japan, the Exchange shall inform such other commodity exchanges in Japan of the name or trade name of said Trading Participant and details of the event.
5. The Exchange shall inform JSCC of the name or trade name of Trading Participant who fall under Paragraph 1 (including cases in which the provisions of Paragraph 1 are applied under Paragraph 2 (limited to the cases falling under Item 1 or Item 3) or Paragraph 3 (limited to the cases falling under Paragraph 1 or Item 1 of Paragraph 2)), and details of the event.
6. Rule 162 shall apply *mutatis mutandis* to the case where the Exchange takes measures prescribed in Paragraph 1 or Paragraph 2.

### **Rule 158 (Measures in the Case of Default by Non-Clearing Participant)**

1. When the Exchange receives from a Designated Clearing Participant a notification of intent to liquidate the positions of a Non-Clearing Participant who has defaulted on its obligations to said Designated Clearing Participant under the terms of the Clearing Agreement, upon verification of such fact, the Exchange shall deem said Non-Clearing Participant to be a defaulting person and apply the provisions of Paragraphs 1, 4 and 5 of the preceding rule to the defaulting person.

### **Rule 159 (Lifting of Suspension of Transactions)**

1. A Trading Participant who has become subject to sanctions of suspension or restriction of transactions or consignment of commodity clearing transactions in the Exchange markets, in whole or in part, under Rule 153, Paragraph 1 shall notify the Exchange, when it has remedied the causes that gave rise to such sanction or has taken the measures as ordered pursuant to

- the provisions of Rule 153, Paragraph 2 before the specified deadline, of the fact in writing. In such case, a Trading Participant may file a request for the lifting of the sanction.
2. A Trading Participant, who has become subject to sanctions of suspension of transactions or consignment of commodity clearing transactions in the Markets under Item 6 or Item 7 of Rule 156, Paragraph 1, shall notify the Exchange of the fact in writing when it has remedied the causes has taken the measures. In such case, a Trading Participant may file a request for the lifting of the sanction.
  3. The notification pursuant to the provisions of the preceding two paragraphs shall be accompanied with a note explaining the measures a Trading Participant has taken in removing the cause of the sanction.
  4. Upon receipt of the documents provided for in Paragraph 1 or Paragraph 2, the Exchange may lift or reduce the sanctions of suspension or restriction of transactions or consignment of commodity clearing transactions if it is determined to be appropriate based on the examination of the documents.
  5. The provisions of Rule 153, Paragraphs 6 and 7 and Rule 162 shall apply *mutatis mutandis* to the lifting or reduction of sanctions provided for in the preceding paragraph.

### **Rule 160 (Objection)**

1. In cases where a Trading Participant disagrees with the imposed sanction (excluding a case of revocation of trading qualification), a Trading Participant may file an objection, in writing, with the Exchange within 10 days of the enforcement date of such sanction.
2. Upon receipt of the statement of objection submitted, pursuant to the provisions of the preceding paragraph, the Exchange shall examine the documents and decide whether the Exchange accepts or rejects the objection.
3. A Trading Participant who files an objection shall be liable for expenses incurred in relation to the examination, if the objection is rejected.
4. The provisions of Rule 162 shall apply *mutatis mutandis* to cases in which a decision is made as to whether the Exchange accepts or rejects the objection pursuant to the provisions of Paragraph 2.

### **Rule 161 (Special Rules for Sanctions)**

1. Notwithstanding the provisions of Rule 153, Paragraph 1, when a Trading Participant becomes subject to disciplinary action of suspension or restriction of transactions or consignment of commodity clearing transactions by another commodity exchange, is subject to revocation of clearing qualification, suspension or restriction of the whole or a part of assumption of liabilities by JSCC, or is subject to disciplinary action by JEPX, the Exchange may impose a fine within the scope of such disciplinary action, or impose a sanction of JPY 100 million (100,000,000) or less.
2. In the event the Exchange suspends or restricts transactions or consignment of commodity clearing transactions as a sanction on a Trading Participant pursuant to the provisions of the preceding paragraph, it may, upon receiving a notice similar to the notice set forth in Rule 159, Paragraph 5 from another commodity exchange or from JSCC or a notice from said Trading Participant about the receiving a notice similar to the notice set forth in such Rule from JEPX, lift or reduce the sanction it imposed on a Trading Participant.
3. In addition to the cases provided for in Paragraph 1, in cases where the Exchange receives an order from the Regulating Minister to revoke the trading qualification of a Trading Participant, or suspend a Trading Participant from transactions or consignment of commodity clearing transaction in the Exchange markets for a period of up to 6 months, as specified by the Exchange pursuant to the provisions of Article 160, Paragraph 1 of the Act, it shall comply with the order and enforce the disciplinary action on such Trading Participant.
4. The provisions of Rule 154 shall apply *mutatis mutandis* to cases in which the Exchange intends to impose sanctions pursuant to the provisions of Paragraph 1 and the provisions of Rule 153, Paragraphs 6 and 7 and the next rule shall apply *mutatis mutandis* to cases in which the Exchange imposed sanctions pursuant to the provisions of Paragraph 1.
5. The provisions of Rule 153, Paragraphs 6 and 7 and the next rule shall apply *mutatis mutandis* to the lifting or reduction of sanctions provided for in Paragraph 2.

**Rule 162 (Notification and Publication of Sanctions)**

1. When the Exchange decides to impose a sanction on a Trading Participant, it will notify a Trading Participant of the reason in writing without delay.
2. When the Exchange decides to impose a sanction on a Trading Participant, it will publish the name or trade name of such Trading Participant, the type of sanction to be imposed and the reason therefore in the way prescribed in Detailed Rules for Trading Participant Enforcement without delay.

**Rule 163 (Display of Suspension of Commodity Derivatives Business, etc.)**

1. A Broker Trading Participant who has been suspended from conducting the Commodity Derivatives Business or a Remote Broker Trading Participant who has been suspended from conducting the transaction by the rules in Japan or overseas shall display a notice at somewhere that can be easily seen by the public to the effect that it will not accept consignment of transactions in the TOCOM market for the specified suspension period; provided, however, that the same shall not apply to cases where the measures pursuant to Rule 156, Paragraph 1, Item 1 are taken if the Exchange deems it appropriate not to be displayed, taking into the account the importance of the measures to be displayed or the possible impact of the market if said display is carried out.

**Rule 164 (Notification)**

1. If a Trading Participant discovers a breach of the Articles of Incorporation, Market Rules, Brokerage Rules, Dispute Resolution Regulations and other rules by another Trading Participant, or discovers wrongful deeds or improper behavior regarding transactions by another Trading Participant, such Trading Participant may inform the Exchange of the fact by a written notice to that effect with signature and seal affixed.
2. Upon receipt of a written notice set forth in the preceding paragraph, the Exchange shall immediately deliver a copy of the notice without disclosing the name or trade name of the informing Trading Participant to the subject Trading Participant and request an explanation therefore.
3. The subject Trading Participant shall submit a written response, with name and seal affixed, to the Exchange within 5 days from the day on which it received the written notice set forth in the preceding paragraph, or by the day that is deemed appropriate by the Exchange.
4. Upon receipt of the written response set forth in the preceding paragraph, or if the Exchange has not received such written response by the specified date, the Exchange shall conduct an examination of the matters informed without delay.
5. If the Exchange determines that the subject Trading Participant falls under any of the items of Rule 153, Paragraph 1 after conducting the examination provided for in the preceding paragraph, the Exchange may proceed with sanctions in accordance with the provisions in this chapter.

**Rule 165 (Violation of the Just and Equitable Principles of Trade)**

1. The following acts or behavior shall be regarded as a violation of the just and equitable principles of trade:
  - (1) Engaging in unfair transactions or brokerage activities;
  - (2) Not maintaining credibility;
  - (3) Engaging in acts that are in conflict with customer protection;
  - (4) Engaging in careless or negligent transactions or brokerage activities; and
  - (5) Other acts or behavior engaging in provision provided in Detailed Rules for Trading Participant Enforcement.

**Rule 166 (Recommendation)**

1. In the event that the Exchange considers that the business activities relevant to transactions

of a Trading Participant in the TOCOM market, or other business that such Trading Participant engages in, or the business of other legal entities that such Trading Participant controls, or is controlled by, or financial conditions of such Trading Participant are inappropriate for the operations of the Exchange, it may recommend such Trading Participant take appropriate measures to rectify its condition.

2. With respect to the recommendations given to a Trading Participant pursuant to the provisions of the preceding paragraph, the Exchange may request a Trading Participant to report on the measures taken by a Trading Participant, if it is deemed necessary.

## **Chapter 6 Miscellaneous Provisions**

### **Rule 167 (Interest on Deposits)**

1. The Exchange shall not pay any interest on guarantee fund or Trading Participant Security Deposit that Trading Participants deposited in the form of cash.

### **Rule 168 (Special Measures in the Case of Force Majeure)**

1. In the event that the Exchange acknowledges that it is impossible, or extremely difficult, for a Trading Participant to perform its duties, including payment of trading fees or other liabilities provided for in these Rules due to natural disaster, drastic changes in the economic conditions, or other unavoidable reasons, the Exchange may take special measures, including the granting of a grace period until the cause of default has been reduced or removed.

## **Supplementary Provisions**

### **Rule 1**

These Rules shall take effect on the later of May 7, 2009 or the day on which the approval was obtained pursuant to Article 156, Paragraph 1 of the Commodity Exchange Act (Act No. 239 of 1950) (i.e., March 19, 2009).

### **Rule 2**

The Market Rules that were effective before the effective date provided for in the preceding rule shall be rescinded.

### **Rule 3**

The matters carried out based on the Market Rules that were carried out before the effective date, shall be deemed to have been carried out based on the relevant provisions of these Rules on the effective date.

## **Supplementary Provisions**

Revisions to the provisions of Rule 1 (Purpose), from Rule 3 (Market Management Detailed Rules) to Rule 9 (Temporary Halt of Session), Chapter name of Chapter 3 (Commodity Markets, Listed Products, Trading Periods, Price Quotation Unit and Contract Size), Rule 10 (Underlying products of Transactions), Rule 13 (Underlying of Options Transactions), Rule 18 (Method of Trade Execution), from Rule 22 (Indication of Bids and Offers) to Rule 32 (EFP Transactions and EFS Transactions), Rule 35 (Suspension of EFP transactions, etc.), Rule 36 (Settlement Price), from Rule 38 (Notification of Transaction) to Rule 41 (Clearing Margins for Clearing Participants), Rule 43 (Deposit of Clearing Margins for Customer Positions by Non-Clearing Participants), from Rule 47 (Settlement by Delivery) to Rule 49 (Delivery P), Rule 54 (Warehouse Receipt and Shipping Request for Commodities to be Delivered), Rule 60 (Notification Concerning Delivery of Gas Oil), Rule 62 (Final Settlement Price), from Rule 64 (Exercise Period) to Rule 66 (Allocation of Options Exercise), Rule 68 (Execution of Physically Delivered Futures Transactions upon Options Exercise), Rule 70 (Transfer of Positions), Rule 71 (Default Procedure), Rule 73 (Procedure for Defaulting Non-delivery Positions), Rule 74 (Procedure for Defaulting Delivery Positions), from Rule 76 (Notification Concerning Transfer of Positions and Default Procedure) to Rule 91 (Procedures for Acquisition of Membership Qualification), from Rule 93 (Date of Acquisition of Membership Qualification) to Rule 98 (Posting of Application for Full Waiver of Membership Qualification), from Rule 100 (Transactions in Case of Merger of the Applicant for Waiver of Membership Qualification) to Rule 108 (Member Representative), from Rule 109 (Request for Remediation of Member's Articles of Incorporation and Other Matters) to Rule 116 (Deposit of Member Security Deposit), from Rule 118 (Limitation of Liability for Use of Facilities) to Rule 120 (Submission of Record Concerning the Amount of Net Assets), Rule 123 (Demand for Submission of Books and Audit), from Rule 125 (Prohibition of False Report of Transaction) to Rule 140 (Notification), and from Rule 142 (Recommendation) to Rule 145 (Special Measures in Case of Force Majeure), the deletion of Rule 72 (Non-defaulting Person and Non-defaulting Position), and the newly established provisions of Rule 9-2 (Listed Commodities, etc.), Chapter 4-2 (Settlement of Transactions), Rule 35-2 (Settlement of Transaction in Commodity Markets), and Rule 108-2 (Contact Agent of Remote Trade Member) adopted by resolution at the meeting of the Board of Directors held on September 15<sup>th</sup>, 2009 shall become effective on the later date when the amendment rule (Act No. 74 of 2009) of Commodity Exchange Act and the regulation regard to the Commodity Investment Business become effective or when the Commodity Act (Act No. 239 of 1950) Article 155, Paragraph 1 approved by the Minister of Economy, Trade and Industry (October 7, 2009).

## **Supplementary Provisions**

Revisions to the provisions of Rule 17 (Price Quotation Unit, Price Increment, Contract Unit, Delivery Unit, and Exercise Unit) adopted by resolution at the meeting of the Board of Directors held on October 20, 2009 shall become effective on the date approved by the Minister of Economy, Trade and Industry (November 5, 2009) and shall be applied to the contracts on and after December 2010.

## **Supplementary Provisions**

Revisions to the provisions of Rule 10 (Underlying Products of Transactions) shall become effective on the date approved by the Commodity Exchange Act (Act No. 239 of 1950) (November

30, 2009) and shall be applied to the contracts on and after December 2010.

### **Supplementary Provisions**

Revisions to the provisions of Paragraph 4-2 of Rule 3 (Detailed Rules) and the newly established provisions of Rule 31-2 (Block Transactions), Rule 31-3 (Registration in Advance of Block Transaction Qualification), Rule 31-4 (Request Price of Block Transactions), Rule 31-5 (Hours for Block Transaction Requests), Rule 31-6 (Contract Months Eligible for Block Transaction Requests), and Rule 31-7 (Suspension of Block Transactions), adopted by resolution at the meeting of the Board of Directors held on January 19, 2010 shall become effective on the date on which the approval under Article 156, Paragraph 1 of the Commodity Exchange Act (Act No. 239 of 1950) is obtained (February 4, 2010).

### **Supplementary Provisions**

Revisions to the provisions of Rule 3 (Detailed Rules), Rule 4 (Definition of Transactions), Rule 9-2 (Commodity Markets, Listed Products, etc.), Rule 10 (Underlying Products of Transactions), Rule 14 (Last Trading Day of the Current Contract Month), Rule 15 (First Trading Day of a New Contract Month), Rule 16 (Contract Months), Rule 17 (Price Quotation Unit, Price Increments, Contract Unit, Delivery Unit, and Exercise Unit), Rule 19 (Individual Auction), Rule 24 (Error Correction), Rule 25 (Transfer at the Time of a Breakdown of Member Terminals), Rule 28 (Take-up Application), Rule 30 (Restriction on Position or Transaction), Rule 31 (Special Transactions), Rule 36 (Settlement Price), Rule 37 (Execution Price Differential, Settlement Price Differential, and Strike Price Differential), Rule 38 (Notification of Transaction), Rule 40 (Clearing Margins), Rule 73 (Procedure of Defaulting Non-delivery Positions), Rule 77 (Calculation of Losses Arising from Default), Rule 78 (Matters to be Publicly Posted), Rule 79 (Notification and Public Posting of Total Trading Volume and Other Information), Rule 85 (Membership Qualification), Rule 86 (Classification of Members), Rule 95 (Addition or Partial Waiver of Membership Qualification), Rule 112 (Guarantee Fund), and Rule 119 (Matters to be Notified), amendments to the chapter name of Chapter 3 (Commodity Markets, Listed Products, Trading Periods, and Units) and Chapter 7 (Delivery, Final Settlement and Exercise of Options), the deletion of Rule 75 (Default Procedure for Options Transactions), and the newly established provisions of Rule 12-2 (Index underlying Index Futures Transaction), Rule 16-2 (Contract Day Transaction), Section 3 (Settlement for Index Futures Transactions), and Rule 63-2 (Settlement Method for Positions in Index Futures Transactions), adopted by resolution at the meeting of the Board of Directors held on November 17, 2009 shall become effective on the later of March 23, 2010 or the date on which the approval under Article 156, Paragraph 1 of the Commodity Exchange Act (Act No. 239 of 1950) is obtained (March 15, 2010).

### **Supplementary Provisions**

Revisions to the provisions of Rule 10 (Underlying Products of Transactions), Rule 11 (Standard Grade Materials), Rule 17 (Price Quotation Unit, Price Increments, Contract Unit, Delivery Unit, and Exercise Unit), and Rule 52 (Delivery Payment), adopted by resolution at the meeting of the Board of Directors held on January 19, 2010 shall become effective on the later of May 6, 2010 or the date on which the approval under Article 156, Paragraph 1 of the Commodity Exchange Act (Act No. 239 of 1950) is obtained (March 23, 2010).

### **Supplementary Provisions**

#### **Rule 1**

Revisions to the provisions of Rule 2 (Interpretation), Rule 8 (Temporary Opening and Closing of Session), Rule 19 (Individual Auction), Rule 31-7 (Suspension of Block Transactions), Rule 35 (Suspension of EFP transactions, etc.), Rule 80 (Measures to be Taken at the Time of Electronic Trading System Failure) Rule 81 (Notification of Trade Cancellation), Rule 88 (Disqualifying Conditions) through Rule 90 (Membership Qualification Examination and Approval), Rule 95 (Addition or Partial Waiver of Membership Qualification) through Rule 97 (Application for Full Waiver of Membership Qualification), Rule 106 (Succession to the Status of a Member), Rule 109 (Request for Remediation of Member's Articles of Incorporation and Other Matters), Rule 114 (Substitution by Securities), Rule 115 (Designation Standards for Substitute Securities), Rule 123 (Demand for Submission of Books and Audit), Rule 130 (Sanctions Against Members), Rule 131 (Opportunity to Provide Explanation), Rule 135 (Lifting of Suspension of Transactions) through

Rule 137 (Special Rules for Sanctions) Rule 140 (Notification), and Rule 142 (Recommendation), adopted by resolution at the meeting of the Board of Directors held on May 27, 2010 shall become effective on the later of July 1, 2010 or the day on which the approval under Article 156, Paragraph 1 of the Commodity Exchange Act (Act No. 239 of 1950) is obtained (June 29, 2010).

**Rule 2**

Revisions to the provisions of Rule 5 (Trading Hours) through Rule 7 (Business Days and Holidays), adopted by resolution at the meeting of the Board of Directors held on May 27, 2010 shall become effective on the later of September 21, 2010 or the day on which the approval under Article 156, Paragraph 1 of the Commodity Exchange Act (Act No. 239 of 1950) is obtained (June 29, 2010).

**Supplementary Provisions**

**Rule 1**

Revisions to the provisions of Rule 9-2 (Commodity Markets, Listed Products, Trading Periods, and Units) and Rule 30 (Restriction on Position or Transaction) shall become effective on the date on which the approval under Article 156, Paragraph 1 of the Commodity Exchange Act (Act No. 239 of 1950) is obtained (August 9, 2010).

**Rule 2**

Revisions to the provisions of Rule 17 (Price Quotation Unit, Price Increments, Contract Unit, Delivery Unit, and Exercise Unit) shall become effective on the date which the approval under Article 156, Paragraph 1 of the Commodity Exchange Act (Act No. 239 of 1950) is obtained (August 9, 2010) and shall be applied to the contracts on and after March 2011.

**Supplementary Provisions**

Revisions to the provisions of Rule 3 (Detailed Rules) and the newly established Rule 6-2 (Orders through Customer Direct Access) shall take effect on the date on which the approval was obtained pursuant to Article 156, Paragraph 1 of the Commodity Exchange Act (Act No. 239, 1950) (i.e., September 27, 2010).

**Supplementary Provisions**

Revisions to the provisions of Rule 9-2 (Commodity Markets, Listed Products, Trading Periods, and Units) through Rule 11 (Standard Grade Materials), Rule 14 (Last Trading Day of the Current Contract Month), through Rule 17 (Price Quotation Unit, Price Increments, Contract Unit, Delivery Unit, and Exercise Unit), Rule 49 (Delivery Points), Rule 50 (Delivery Date and Time), Rule 54 (Warehouse Receipt and Shipping Request for Commodities to be Delivered), Rule 57 (Declared Delivery), Rule 58 (Customized Delivery), Rule 74 (Disposition for Defaulting Delivery Positions), Rule 86 (Classification of Members), Rule 94 (Members Those Qualified to Trade), Rule 95 (Addition or Partial Waiver of Membership Qualification) and Rule 112 (Guarantee Fund) shall become effective on the date on which the approval under Article 156, Paragraph 1 of the Commodity Exchange Act (Act No.239 pf 1950) is obtained (October 4, 2010).

**Supplementary Provisions**

**Rule 1**

Revisions to the provisions of Paragraph 2 of Rule 42 (Deposit of Clearing Margins for Proprietary Positions by Non-Clearing Participants) and Paragraph 6 of Rule 43 (Deposit of Clearing Margins for Customer Positions by Non-Clearing Participants) shall become effective on the date on which the approval was obtained pursuant to Article 156, Paragraph 1 of the Commodity Exchange Act (Act No. 239, 1950) (i.e., December 3, 2010).

**Rule 2**

The newly established Rule 35-2 (Stop Loss Transactions), revisions to the provisions of Rule 3 (Detailed Rules), Rule 4 (Definition of Transactions), Rule 8 (Temporary Opening and Closing of Session), Rule 9-2 (Commodity Markets, Listed Products, etc.), Rule 17 (Price Quotation Unit, Price Increments, Contract Unit, Delivery Unit, and Exercise Unit), Rule 19 (Individual Auction), Rule 24 (Error Correction), Rule 25 (Transfer at the Time of a Breakdown of Member Terminals), Rule 30 (Restriction on Position or Transaction), Rule 31 (Special Transactions), Rule 35-3 (Settlement of Transaction in the Commodities Market), Rule 36 (Settlement Price), Rule 40 (Clearing Margins), Rule 42 (Deposit of Clearing Margins for Proprietary Positions by Non-Clearing Participants), Rule 43 (Deposit of Clearing Margins for Customer Positions by Non-

Clearing Participants), Rule 45 (Maintaining of Clearing Margins by Non-Clearing Participants), Rule 46 (Clearing Margin Maintenance Amount Notification by Non-Clearing Participants), Rule 49 (Delivery Points), Rule 54 (Warehouse Receipt and Shipping Request for Commodities to be Delivered), Rule 57 (Declared Delivery), Rule 58 (Customized Delivery), Rule 62 (Final Settlement Price), Rule 65 (Notification of Option Exercise), Rule 66 (Allocation of Option Exercise), Rule 68 (Execution of Physically Delivered Futures Transactions upon Option Exercise), Rule 73 (Procedure of Defaulting Non-delivery Positions), Rule 85 (Membership Qualification), Rule 88 (Disqualifying Conditions), Rule 89 (Application for Acquisition of Membership Qualification), Rule 95 (Addition or Partial Waiver of Membership Qualification), Rule 105 (Special Rules for Settlement of Transactions by Broker Member), Rule 106 (Succession to the Status of a Member), Rule 119 (Matters to be Notified) through Rule 122 (Separate Accounting and Retention of Books of Broker Members), Rule 132 (Suspension of Transaction), 137 (Special Rules for Sanctions) and Rule 139 (Display of Suspension of Commodity Futures Transactions Business), and the deletion of Rule 110 (Restriction on Mediation of Consignment) shall become effective on the later of January 1, 2011 or the day on which the approval under Article 156, Paragraph 1 of the Commodity Exchange Act (Act No. 239 of 1950) is obtained (December 3, 2010).

## **Supplementary Provisions**

### **Rule 1**

The newly established Rule 31-7 (Request Quantity of Block Transactions), and the revisions to the provisions of Rule 29 (Special Provision for the Default Procedure), Rule 31-2 (Block Transactions), Rule 31-3 (Registration in Advance of Block Transaction Qualification), Rule 31-4 (Request Price of Block Transactions), Rule 31-5 (Hours for Block Transaction Requests), Rule 31-6 (Contract Months, etc., Eligible for Block Transaction Requests), Rule 31-8 (Suspension of Block Transactions), Rule 32 (EFP Transactions and EFS Transactions), Rule 34 (Permissible Price for EFP Transactions, etc.), Rule 70 (Transfer of Positions), Rule 78 (Matters to be Publicly Posted), and Rule 79 (Notification and Public Posting of Total Trading Volume and Other Information) shall take effect on the date on which the approval was obtained pursuant to Article 156, Paragraph 1 of the Commodity Exchange Act (Act No. 239 of 1950) (December 24, 2010).

### **Rule 2**

Revisions to the provisions of Rule 35-2 (Stop Loss Transactions) shall become effective on the later of January 1, 2011 or the day on which the approval under Article 156, Paragraph 1 of the Commodity Exchange Act is obtained (December 24, 2010).

## **Supplementary Provisions**

### **Rule 1**

Revisions to the provisions of Rule 30 (Restriction on Position or Transaction) shall become effective on the day on which the approval under Article 156, Paragraph 1 of the Commodity Derivatives Transaction Act (Act No. 239 of 1950) is obtained (January 26, 2011).

### **Rule 2**

The newly established Rule 80-2 (Measures to be Taken When a Trade is Executed As a Result of an Erroneous Order, etc.) revisions to the provisions of Rule 80 (Cancellation of Trade) and Rule 81 (Notification of Trade Cancellation) shall become effective on the later of March 1, 2011, or the day on which the approval under Article 156, Paragraph 1 of the Commodity Derivatives Transaction Act is obtained (January 26, 2011).

## **Supplementary Provisions**

### **Rule 1**

The name of newly established Section 5 of Chapter 7 Part 2, and the newly established Rule 69-2 (Settlement Method) shall become effective on the day on which the approval under Article 156, Paragraph 1 of the Commodity Derivatives Transaction Act is obtained (March 29, 2011).

### **Rule 2**

The newly established Rule 63-2 (Final Settlement Day) and Rule 63-3 (Final Settlement Value), revisions to the provisions of Rule 3 (Market Management Detailed Rules, etc.), Rule 14 (Last Trading Day of the Current Contract Month and End of the Index Futures), Rule 15 (First Trading Day of a New Contract Month), Rule 16 (Trading Periods), Rule 16-2 (Contract Day Transaction), Rule 17 (Price Quotation Unit, Price Increments, Contract Unit, Delivery Unit,

Exercise Unit, etc.), Rule 19 (Individual Auctions), Rule 31-6 (Contract Months, etc. Eligible for Block Transaction Requests), Rule 36 (Settlement Price, etc.), Rule 63-4 (Settlement Method for Positions in Contract Day Index Futures Transactions) and the name of Section 3 of Chapter 7, Part 2 shall become effective on the later of May 2, 2011 or the day on which the approval under Article 156, Paragraph 1 of the Commodity Derivatives Transaction Act is obtained (March 29, 2011).

### **Rule 3**

Notwithstanding the provision of Rule 16, Paragraph 3, newly established contract on the effective date prescribed in the preceding paragraph for Index Futures transactions of Nikkei-TOCOM Commodity Index Market (exclude Contract-day index futures transaction) shall be March 2012 contract.

### **Supplementary Provisions**

Revisions to the provisions of Rule 26 (Give-up), Rule 27 (Give-up Application), Rule 28 (Take-up Application) and Rule 138 (Notification and Posting of Sanctions) shall take effect on the date on which the approval was obtained pursuant to Article 156, Paragraph 1 of the Commodity Derivatives Transaction Act (Act No. 239, 1950) (i.e., May 23, 2011).

### **Supplementary Provisions**

#### **Rule 1**

Revisions to the provisions of Rule 32 (EFP Transactions and EFS Transaction) and Rule 36 (Settlement Price) shall become effective on the day on which the approval under Article 156, Paragraph of the Commodity Derivatives Transaction Act (Act No. 239 of 1950) is obtained (October 18, 2011).

#### **Rule 2**

The newly established Rule 28-2 (Special Provisions for Give-up Applications and Take-up Applications) and Rule 28-3 (Cancellation of Give-up) and revisions to the provisions of Rule 26 (Give-up), Rule 27 (Give-up Application), and Rule 28 (Take-up Application) shall become effective on the later of December 19, 2011, or the day on which the approval under Article 156, Paragraph 1 of the Commodity Derivatives Transaction Act is obtained (October 18, 2011).

### **Supplementary Provisions**

Revisions to the provisions of Rule 36 (Settlement Price) shall become effective on the later of March 1, 2012, or the day on which the approval was obtained pursuant to Article 156, Paragraph 1 of the Commodity Derivatives Transaction Act (Act No. 239, 1950) (i.e., October 24, 2011).

### **Supplementary Provisions**

Revisions to the provisions of Rule 3 (Detailed Rules) and the newly established Chapter 8-2 (Special Provisions for the Transfer of Positions and Order Processing in the Discontinued Commodity Market and the Newly Established Commodity Market) and Rule 77-2 (Special Provisions for the Transfer of Positions and Order Processing in the Discontinued Commodity Market and the Newly Established Commodity Market) through Rule 77-8 (Replacement of Terms Regarding Settlement of Transaction in Commodity Markets) shall become effective on the date on which the approval was obtained pursuant to Article 156, Paragraph 1 of the Commodity Derivatives Transaction Act (Act No. 239, 1950) (i.e., June 4, 2012).

### **Supplementary Provisions**

Revisions to the provisions of Rule 10 (Settlement Price) shall become effective on the day on which the approval was obtained pursuant to Article 156, Paragraph 1 of the Commodity Derivatives Transaction Act (Act No. 239, 1950) (i.e., June 8, 2012) and shall be applied to the contracts on and after December 2012.

### **Supplementary Provisions**

Revisions to the provisions of Rule 89 (Application for Acquisition of Membership Qualification), Rule 95 (Addition or Partial Waiver of Membership Qualification) and Rule 96 (Change in the Category of Membership Qualification) shall become effective on the day on which the approval

was obtained pursuant to Article 156, Paragraph 1 of the Commodity Derivatives Transaction Act (Act No. 239, 1950) (i.e., August 13, 2012).

## **Supplementary Provisions**

### **Rule 1**

Newly established Chapter name of Part 2 Chapter 8-2 and Rule 70-2 (Notification Concerning Transfer of Positions) and the revisions to the provisions of Chapter name of Part 2 Chapter 7, Chapter 8 and Chapter 8-3, Rule 1 (Purpose), Rule 2 (Interpretation), Rule 4 (Definition of Transactions), Rule 6 (Acceptance of Orders), Rule 7 (Business Days and Holidays), Rule 8 (Temporary Opening and Closing of Session), Rule 9-2 (Commodity Markets, Listed Products, etc.), Rule 15 (First Trading Day of a New Contract Month), Rule 19 (Individual Auction), Rule 28-2 (Special Provisions for Give-up Applications and Take-up Applications), Rule 28-3 (Cancellation of Give-up), Rule 31 (Special Transactions), Rule 31-2 (Block Transactions), Rule 31-5 (Hours for Block Transaction Requests), Rule 32 (EFP Transactions and EFS Transactions), Rule 52 (Delivery Payment), Rule 53 (Consumption Tax Applicable to Delivery), Rule 63 (Settlement Method for Current Contract Month Positions), Rule 70 (Transfer of Positions), Rule 71 (Default Procedure), Rule 76 (Notification Concerning Transfer of Positions and Default Procedure), Rule 80 (Measures to be Taken When Operational Trouble of the Electronic Trading System Occurs), Rule 81 (Notification of Trade Cancellation), Rule 82 (Emergency Measures), Rule 88 (Disqualifying Conditions), Rule 99 (Waiver of Membership Qualification as a Natural Consequence), Rule 100 (Transactions, etc. In Case of Merger of the Applicant for Waiver of Membership Qualification), Rule 105 (Special Rules for Settlement of Transactions by Broker Member), Rule 108 (Member Representative) through Rule 110 (Responses, etc. to Demand for Change), Rule 115 (Designation Standards for Substitute Securities), Rule 118 (Limitation of Liability for Use of Facilities), Rule 119 (Matters to be Notified), Rule 130 (Sanctions Against Members), Rule 131 (Opportunity to Provide Explanation Against Sanctions), Rule 133 (Measures in Case of Default), Rule 135 (Lifting of Suspension of Transactions), Rule 136 (Objection), Rule 138 (Notification and Posting of Sanctions), Rule 140 (Notification) through Rule 142 (Recommendation) and Rule 145 (Associate Member) shall become effective on the day on which the approval was obtained pursuant to Article 156, Paragraph 1 of the Commodity Derivatives Transaction Act (Act No. 239, 1950) (i.e., September 13, 2012).

### **Rule 2**

Revisions to the provisions of Rule 14 (Last Trading Day of the Current Contract Month and End of the Index Futures), Rule 36 (Settlement Price) and Rule 62 (Final Settlement Price) shall become effective on the day on which the approval was obtained pursuant to Article 156, Paragraph 1 of the Commodity Derivatives Transaction Act (Act No. 239, 1950) (i.e., September 13, 2012) and shall be applied to the contracts on and after December 2013.

## **Supplementary Provisions**

### **Rule 1**

Revision to the provisions of Section name of Chapter 7 Section 4 and Chapter 7 Section 5, Rule 3 (Detailed Rules), Rule 9-2 (Commodity Markets, Listed Products, etc.), Rule 10 (Underlying Products of Transactions), Rule 14 (Last Trading Day of the Current Contract Month), Rule 15 (First Trading Day of a New Contract Month), Rule 16 (Trading Periods), Rule 17 (Price Quotation Unit, Price Increments, Contract Unit, Delivery Unit, Exercise Unit, etc.), Rule 86 (Classification of Members) and Rule 112 (Guarantee Fund) and the deletion of Chapter 7 Section 3 (Settlement and Final Settlement for Index Futures Transaction), Rule 12-2 (Index Underlying Index Futures Transaction), Rule 63-2 (Final Settlement Day), and Rule 63-3 (Final Settlement Value) shall be effective on the day on which the approval was obtained pursuant to Article 156, Paragraph 1 of the Commodity Derivatives Transaction Act (Act No. 239, 1950) (i.e. January 11, 2013).

### **Rule 2**

Revision to the following items shall be effective on the day on which the approval was obtained pursuant to Article 156, Paragraph 1 of the Commodity Derivatives Transaction Act (Act No. 239, 1950) for the application (No. 2012TOCOM246) submitted on September 21, 2012.

(1) Delete Rule 9-2, Paragraph 1 Item 7, Rule 9-2, Paragraph 2, Item 7, Rule 9-2, Paragraph 3, Rule 10 "Nikkei-TOCOM index Market: Nikkei-TOCOM index ", Rule 10, Paragraph 7, Rule 86, Paragraph 1, Item 7 and Rule 112 Paragraph 1, Item 7.

(2) Delete Rule 14, Paragraph 3 and move Rule 14, Paragraph 4 forward.

- (3) Delete Rule 16, Paragraph 3 and move Rule 16, Paragraph 4 forward.
- (4) Delete Rule 17, Paragraph 3 and move Rule 17, Paragraph 4 forward.

## **Supplementary Provisions**

### **Rule 1**

Revisions to the provisions of Rule 8 (Temporary Opening and Closing of Session) through Rule 11 (Standard Grade Materials), Rule 14 (Last Trading Day of the Current Contract Month), Rule 16 (Trading Periods), Rule 17 (Price Quotation Unit, Price Increments, Contract Unit, Delivery Unit, Exercise Unit, etc.), Rule 30 (Restriction on Position or Transaction), Rule 38 (Notification of Transaction), Rule 49 (Delivery Points), Rule 50 (Delivery Date and Time), Rule 52 (Delivery Payment), Rule 54 (Warehouse Receipt and Shipping Request for Commodities to be Delivered) through Rule 58 (Customized Delivery), Rule 70 (Transfer of Positions), Rule 74 (Disposition for Defaulting Delivery Positions), Rule 78 (Matters to be Publicly Posted), Rule 82 (Emergency Measures), Rule 85 (Membership Qualification), Rule 86 (Classification of Members), Rule 112 (Guarantee Fund), Rule 119 (Matters to be Notified), Rule 123 (Demand for Submission of Books and Audit), Rule 137 (Special Rules for Sanctions), and Rule 143 (Associate Member) shall be effective on the later of February 12, 2013 or the day on which the approval was obtained pursuant to Article 156, Paragraph 1 of the Commodity Derivatives Transaction Act (Act No. 239, 1950) (i.e. January 18, 2013).

### **Rule 2**

On the date of enforcement of previous rule, Contract Unit and Delivery Unit of the contract before November 2013 contract in the Raw Sugar Market shall be 10,000kg per 1 lot, notwithstanding the provision of Rule 17, Paragraph 1.

## **Supplementary Provisions**

Revisions to the provisions of Rule 31 (Special Transaction) shall become effective on the day on which the approval was obtained pursuant to Article 156, Paragraph 1 of the Commodity Derivatives Transaction Act (Act No. 239, 1950) (i.e., September 13, 2013).

## **Supplementary Provisions**

Revisions to the provisions of Rule 32 (EFP Transactions and EFS Transactions) shall become effective on the day on which the approval was obtained pursuant to Article 156, Paragraph 1 of the Commodity Derivatives Transaction Act (Act No. 239, 1950) (i.e., December 26, 2013).

## **Supplementary Provisions**

Newly established Rule 105-2 (Special Rules for Settlement of Customer Transactions before Waiver of Broker Membership Qualification) and Rule 131-2 (Measures for Members subject to Sanctions by Laws and Regulations), and the revisions to the provisions of Rule 35-3 (Settlement of Transaction in Commodity Markets), Rule 70 (Transfer of Positions), Rule 88 (Disqualifying Conditions), Rule 89 (Application for Acquisition of Membership Qualification), Rule 95 (Addition or Partial Waiver of Membership Qualification) through Rule 101 (Procedure of Waiver of Membership Qualification), Rule 104 (Settlement of Proprietary Transactions before Waiver of Membership Qualification) through Rule 109 (Request for Remediation of Member's Articles of Incorporation and Other Matters), Rule 122 (Separate Accounting and Retention of Books of Broker Members), Rule 123 (Demand for Submission of Books and Audit), Rule 130 (Sanctions Against Members), Rule 132 (Suspension of Transaction), Rule 133 (Measures in Case of Default), Rule 137 (Special Rules for Sanctions) and Rule 138 (Notification and Posting of Sanctions) shall become effective on the day on which the approval was obtained pursuant to Article 156, Paragraph 1 of the Commodity Derivatives Transaction Act (Act No. 239, 1950) (i.e., March 19, 2014).

## **Supplementary Provisions**

Newly established Rule 43-2 (Deposit of Clearing Margins for Customer Positions by Non-Clearing Participants who are Remote Trade Members), Rule 70-2 (Transfer or Orderly Disposition of Positions), Rule 105-3 (Special Rules for Settlement of Customer Transactions before Waiver of Remote Broker Membership Qualification) and Rule 122-2 (Separate Accounting and Retention of Books of Remote Broker Members), and the revisions to the provisions of Chapter name of Part 2 Chapter 8, Rule 6 (Acceptance of Orders), Rule 6-2 (Orders through

Customer Direct Access), Rule 29 (Special Provision for the Default Procedure), Rule 30 (Restriction on Position or Transaction), Rule 31 (Special Transactions), Rule 35-2 (Stop Loss Transactions), Rule 39 (Receipt and Payment of Execution Price Differential, Settlement Price Differential, Strike Price Differential, and Options Premium), Rule 43 (Deposit of Clearing Margins for Customer Positions by Non-Clearing Participants who are Broker Members), Rule 44 (Cutoff Time for Deposit of Clearing Margins Applied to Non-Clearing Participants), Rule 45 (Maintaining of Clearing Margins by Non-Clearing Participants), Rule 46 (Notification of Clearing Margin Maintenance Amount, etc. by Non-Clearing Participants), Rule 58 (Customized Delivery), Rule 63 (Settlement Method for Current Contract Month Positions), Rule 66 (Allocation of Option Exercise), Rule 70 (Transfer of Positions), Rule 70-2 (Transfer or Orderly Disposition of Positions), Rule 73 (Procedure of Defaulting Non-delivery Positions), Rule 74 (Disposition for Defaulting Delivery Positions), Rule 77-7 (Objection), Rule 84 (Objection), Rule 87 (Category of Membership), Rule 96 (Change in the Category of Membership Qualification), Rule 108 (Member Representative), Rule 108-2 (Contact Agent of Remote Trade Member or Remote Broker Member), Rule 119 (Matters to be Notified), Rule 123 (Demand for Submission of Books and Audit), Rule 126 (Duties of Employer), Rule 132 (Suspension of Transaction), and Rule 139 (Display of Suspension of Commodity Futures Transactions Business, etc.) shall become effective on the day on which the approval was obtained pursuant to Article 156, Paragraph 1 of the Commodity Derivatives Transaction Act (Act No. 239, 1950) (i.e., March 31, 2014).

### **Supplementary Provisions**

Revisions to the provisions of Rule 5 (Trading Hours), Rule 6 (Acceptance of Orders), Rule 15 (First Trading Day of a new Contract Month), Rule 16 (Trading Periods), Rule 19 (Individual Auction), Rule 31-5 (Hours for Block Transaction Requests) and Rule 31-6 (Contract Months, etc. Eligible for Block Transaction Requests) shall become effective on the later of July 22, 2014, or the day on which the approval was obtained pursuant to Article 156, Paragraph 1 of the Commodity Derivatives Transaction Act (Act No. 239, 1950) (i.e., May 23, 2014).

### **Supplementary Provisions**

Revisions to the provisions of Rule 3 (Market Detailed Rules, etc.) and Rule 47 (Settlement by delivery), and newly establish Rule 58-2 (ADP) shall become effective on which the approval was obtained pursuant to Article 156, Paragraph 1 of the Commodity Exchange Act (Act No. 239, 1950) (i.e., August 11, 2014) and the revision to the provisions of Rule 71 (Default Procedure) and Rule 74 (Disposition for Defaulting Delivery Positions) shall become effective on the later of September 1, 2014 or the day on which the approval was obtained pursuant to Article 156, Paragraph 1 of the Commodity Derivatives Transaction Act (Act No. 239, 1950) (i.e., August 11, 2014).

### **Supplementary Provisions**

Newly established Rule 31-9 (Posted Settlement Transactions), Rule 31-10 (Request Price of Posted Settlement Transactions), Rule 31-11 (Hours for Posted Settlement Transactions Requests), Rule 31-12 (Contract Months, etc. Eligible for Posted Settlement Transactions Requests), and Rule 31-13 (Suspension of Posted Settlement Transactions) and revisions to the provisions of Rule 3 (Market Detailed Rules, etc.), Rule 6 (Acceptance of Orders), Rule 15 (First Trading Day of a New Contract Month), Rule 29 (Special Provision for the Default Procedure) and Rule 79 (Notification and Public Posting of Total Trading Volume and Other Information) shall become effective on the later of October 6, 2014 or the day on which the approval was obtained pursuant to Article 156, Paragraph 1 of the Commodity Derivatives Transaction Act (Act No. 239, 1950) (i.e., September 9, 2014).

### **Supplementary Provisions**

Revisions to the provisions of Rule 12 (Underlying of Cash-settled Futures Transactions) shall become effective on the day on which the approval was obtained pursuant to Article 156, Paragraph 1 of the Commodity Derivatives Transaction Act (Act No. 239, 1950) (i.e., October 17, 2014) and shall be applied to the contracts on and after June 2015.

### **Supplementary Provisions**

Revisions to the provisions of Rule 17 (Price Quotation Unit, Price Increments, Contract Unit,

Delivery Unit, Exercise Unit, etc.) shall become effective on the day on which the approval was obtained pursuant to Article 156, Paragraph 1 of the Commodity Derivatives Transaction Act (Act No. 239, 1950) (i.e., January 8, 2015) and shall be applied to the contracts on and after April 2016.

### **Supplementary Provisions**

Revisions to the provisions of Rule 10 (Underlying Products of Transactions) shall become effective on the later of January 30, 2015, or the day on which the approval was obtained pursuant to Article 156, Paragraph 1 of the Commodity Derivatives Transaction Act (Act No. 239, 1950) (i.e., January 28, 2015) and shall be applied to the market after the end of Day Session on said effective day.

### **Supplementary Provisions**

Newly established Rule 16-2 (Rolling Spot Futures Transactions), Chapter 7 Section 2-2 (Final Settlement for Cash-settled Rolling Spot Futures Transactions) Rule 63-2 (Theoretical Spot Price) and Rule 63-3 (Settlement Method for Positions in Cash-settled Rolling Spot Futures Transactions), and revisions to the provisions of Rule 3 (Market Detailed Rules, etc.), Rule 4 (Definition of Transactions), Rule 12 (Underlying of Cash-settled Futures Transactions), Rule 15 (First Trading Day, etc.), Rule 16 (Trading Periods), Rule 17 (Price Quotation Unit, Price Increments, Contract Unit, Delivery Unit, Exercise Unit, etc.), Rule 19 (Individual Auction), Rule 36 (Settlement Price), Rule 37 (Execution Price Differential, Settlement Price Differential, and Strike Price Differential), Rule 38 (Notification of Transaction), Chapter 7 Section 2 (Final Settlement for Cash-settled Futures Transactions), Rule 78 (Matters to be Publicly Posted) and Rule 79 (Notification and Public Posting of Total Trading Volume and Other Information) shall become effective on the later of May 7, 2015 or the day on which the approval was obtained pursuant to Article 156, Paragraph 1 of the Commodity Derivatives Transaction Act (Act No. 239, 1950) (i.e. March 23, 2015) and shall be applied to the market from Day Session on said effective date.

### **Supplementary Provisions**

Revisions to the provisions of Rule 3 (Market Detailed Rules, etc.), Rule 31-2 (Block Transactions), Rule 31-4 (Request Price of Block Transactions) through Rule 31-6 (Contract Months, etc. Eligible for Block Transaction Requests), Rule 31-8 (Suspension of Block Transactions), Rule 34 (Requesting Price for EFP Transactions, etc.) and Rule 79 (Notification and Public Posting of Total Trading Volume and Other Information) and deletions to the provisions of Rule 31-3 (Registration in Advance of Block Transaction Qualification), Rule 31-7 (Request Quantity of Block Transactions), and Rule 31-9 (Posted Settlement Transactions) through Rule 31-13 (Suspension of Posted Settlement Transactions) shall become effective on the business day immediately following the day on which the approval was obtained pursuant to Article 156, Paragraph 1 of the Commodity Derivatives Transaction Act (Act No. 239, 1950) (i.e., March 31, 2015).

### **Supplementary Provisions**

Revisions to the provisions of Rule 89 (Application for Acquisition of Membership Qualification), shall become effective on the business day immediately following the day on which the approval was obtained pursuant to Article 156, Paragraph 1 of the Commodity Derivatives Transaction Act (Act No. 239, 1950) (i.e., December 21, 2015).

### **Supplementary Provisions**

Revisions to the provisions of Rule 47 (Settlement by Delivery), Rule 70-2 (Transfer or Orderly Disposition of Positions) and Rule 127 (Appointment of Designated Clearing Participant) shall become effective on the day on which the approval was obtained pursuant to Article 156, Paragraph 1 of the Commodity Derivatives Transaction Act (Act No. 239, 1950) (i.e., April 15, 2016).

### **Supplementary Provisions**

#### **Rule 1**

Newly established Rule 3 (Detailed Rules), Paragraph 18, Rule 4 (Definition of Transactions), Paragraph 1, Item 5, Rule 13-2 (Underlying of Physical Transactions), Rule 17 (Price Quotation Unit, Price Increments, Contract Unit, Delivery Unit, Exercise Unit, etc.), Paragraph 4, Chapter 4-

2, Rule 38-2 (Notification of Physical Transaction), Rule 63-3 (Settlement Method for Positions in Cash-settled Rolling Spot Futures Transactions), Paragraphs 2 and 3, Chapter 7 Section 2-3 and Chapter 7 Section 4, and revisions to the provisions of Rule 3 (Detailed rules), Paragraph 2, Rule 4 (Definition of Transactions), Rule 9-2 (Commodity Markets, Listed Products, etc.), name of Chapter 4-2, Rule 56 (Early Delivery), Rule 57 (Declared Delivery), name of Chapter 7 Section 4, Rule 69-2 (Settlement Method), Rule 71 (Default Procedure), Rule 74 (Disposition for Defaulting Delivery Positions), Paragraph 3, Item 1, Rule 77 (Calculation of Losses Arising from Default) and Rule 79 (Notification and Public Posting of Total Trading Volume and Other Information), Paragraph 1, Item 1 shall be effective on the later of July 25, 2016 or the day on which the approval was obtained pursuant to Article 156, Paragraph 1 of the Commodity Derivatives Transaction Act (Act No. 239, 1950) (i.e. July 21, 2016) (hereinafter referred to as the "Date of Approval" in this supplementary provision).

## **Rule 2**

Newly established Rule 6-2 (Modification / Cancellation of a Trading Order), Rule 13 (Underlying of Options Transactions), Paragraph 2, Rule 17 (Price Quotation Unit, Price Increments, Contract Unit, Delivery Unit, Exercise Unit, etc.), Paragraph 5, Rule 25 (Transfer at the Time of a Breakdown of Member Terminals), Paragraph 1, Rule 32 (EFP Transactions and EFS Transactions), Paragraphs 3 through 5, Rule 36 (Settlement Price), Paragraphs 2 through 4, Rule 64-2 (Final Settlement Price of Options Transactions), Rule 65 (Notification of Options Exercise), Paragraphs 2 and 3, and Rule 82-2 (Measures Based on an Order of the Regulating Minister), revisions to the provisions of Rule 3 (Detailed Rules), Paragraph 9, Rule 4 (Definition of Transactions), Paragraph 1, Item 4, Rule 5 (Trading Sections and Hours), Rule 6 (Acceptance of Orders), Paragraph 1, Rule 6-2 (Modification / Cancellation of a Trading Order), Rule 7 (Business Days and Holidays), Paragraph 4 and 5, Rule 8 (Temporary Opening and Closing of Section), Paragraph 1, Rule 9 (Temporary Halt of Section), Rule 12 (Underlying of Cash-settled Futures Transactions), Paragraph 2, Rule 13 (Underlying of Options Transactions), Rule 14 (Last Trading Day of the Current Contract Month and Expiry of Cash-settled Rolling Spot Futures Transactions), Rule 15 (First Trading Day, etc.), Rule 16 (Trading Periods), Paragraphs 2 and 3, Rule 17 (Price Quotation Unit, Price Increments, Contract Unit, Delivery Unit, Exercise Unit, etc.), Paragraphs 2 and 3, Rule 19 (Individual Auction), Rule 20 (Principles of Individual Auction), Rule 24 (Customer Type Correction), Rule 25 (Transfer at the Time of a Breakdown of Member Terminals), Paragraphs 2 and 3, Rule 27 (Give-up Application), Paragraph 1, Rule 28 (Take-up Application), Paragraph 1 and 3, Rule 28-2 (Special Provisions for Give-up Applications and Take-up Applications), Paragraphs 1 and 3, Rule 28-3 (Cancellation of Give-up), Paragraphs 1 and 4, Rule 30 (Restriction on Position or Transaction), Paragraph 1, Rule 31 (Special Transactions), Paragraph 4, Rule 31-2 (Off-floor Transactions), Paragraphs 3 through 5, Rule 31-3 (Suspension of Off-floor Transactions), Rule 32 (EFP Transactions and EFS Transactions), Paragraphs 1 and 2, Rule 35 (Suspension of EFP Transactions, etc.), Rule 36 (Settlement Price), Rule 37 (Execution Price Differential, Settlement Price Differential, and Strike Price Differential), Paragraph 3, Rule 38 (Notification of Off-set Transaction), Rule 39 (Receipt and Payment of Execution Price Differential, Settlement Price Differential, Strike Price Differential, and Options Premium), name of Chapter 7, Rule 47 (Settlement by Delivery), Paragraph 3, Rule 61 (Final Settlement Day), Rule 62 (Final Settlement Price), Rule 63 (Settlement Method for Current Contract Month Positions), name of Chapter 7 Section 3, Rule 64 (Exercise Day, etc.), Rule 65 (Notification of Options Exercise), Rule 66 (Allocation of Options Exercise), Paragraphs 1 through 4, Rule 67 (Expiration of Options Positions upon Options Exercise), Paragraph 1, Rule 70 (Transfer of Positions), Paragraphs 3 and 4, Rule 73 (Procedure of Defaulting Non-delivery Positions), Paragraphs 2 and 4, Rule 74 (Disposition for Defaulting Delivery Positions), Paragraph 3, Item 2, Rule 77 (Calculation of Losses Arising from Default), Paragraph 1, Item 5, Rule 79 (Notification and Public Posting of Total Trading Volume and Other Information), Paragraphs 2 through 4, Rule 80 (Measures to be Taken When Operational Trouble of the Electronic Trading System Occurs), Paragraph 1, Item 5 and Rule 82 (Emergency Measures), Paragraph 1, abolishment of Rule 3 (Detailed Rules), Paragraph 6, Rule 28-2 (Special Provisions for Give-up Applications and Take-up Applications), Paragraph 2 and Rule 28-3 (Cancellation of Give-up), Paragraph 3, and deletion of Rule 7 (Business Days and Holidays), Paragraph 3, Rule 31-2 (Off-floor Transactions), Paragraph 2, Rule 31-3, Rule 31-4 (Request Price of Off-floor Transactions), Rule 31-5 (Hours for Off-floor Transaction Requests), Rule 31-6 (Contract Months, etc. Eligible for Off-floor Transaction Requests), Rule 31-7, Rule 65 (Notification of Options Exercise), Paragraph 4, Rule

67 (Expiration of Options Positions upon Options Exercise), Paragraph 2, Rule 68 (Execution of Physically Delivered Futures Transactions upon Options Exercise) and Rule 69 (Expiration of Positions on the Last Trading Day) shall be effective on the later of September 20, 2016 or the Date of Approval.

### **Rule 3**

Notwithstanding the provisions of the preceding rule, in the event that there is operational trouble of the electronic trading system or other unavoidable reasons that it is deemed necessary by the Exchange, the effective date of the preceding rule will be separately provided by the Exchange.

## **Supplementary Provisions**

### **Rule 1**

Revisions to the provisions of Rule 6 (Acceptance of Orders), Rule 6-2 (Modification / Cancellation of a Trading Order), Rule 6-3 (Orders through Customer Direct Access), Rule 7 (Business Days and Holidays), Rule 8 (Temporary Opening and Closing of Section), Rule 9-2 (Commodity markets, Listed Products, etc.), Rule 13 (Underlying of Options Transactions), Rule 17 (Price Quotation Unit, Price Increments, Contract Unit, Delivery Unit, Exercise Unit, etc.), Rule 18 (Method of Trade Execution), Rule 22 (Distribution of Bids and Offers), Rule 23 (Confirmation of Transaction), Rule 24 (Customer Type Correction), Rule 25 (Transfer at the Time of a Breakdown of Member Terminals), Rule 26 (Give-up), Rule 27 (Give-up Application), Rule 28 (Take-up Application), Rule 28-2 (Special Provisions for Give-up Applications and Take-up Applications), Rule 28-3 (Cancellation of Give-up), Rule 29 (Special Provision for the Default Procedure), Rule 30 (Restriction on Position or Transaction), Rule 31 (Special Transactions), Rule 31-2 (Off-floor Transactions), Rule 32 (EFP Transactions and EFS Transactions), Rule 35-2-3 (Trading Hours of Physical Transactions), Rule 35-2-4 (Conclusion of Physical Transactions), Rule 35-2-5 (Negotiated Transactions), Rule 35-3 (Settlement of Transaction in Commodity Markets), Rule 38 (Notification of Off-set Transaction), Rule 38-2 (Notification of Physical Transaction), Rule 48 (Good Delivery Materials), Rule 54 (Warehouse Receipt and Shipping Request for Commodities to be Delivered), Rule 56 (Early Delivery), Rule 57 (Declared Delivery), Rule 58 (Customized Delivery), Rule 58-2 (ADP), Rule 63-3 (Settlement Method for Positions in Cash-settled Rolling Spot Futures Transactions), Rule 63-3-5 (Payment Amount for Delivery on Request), Rule 63-3-7 (Coordination for Delivery on Request), Rule 64 (Exercise Day, etc.), Rule 65 (Notification of Options Exercise), Rule 66 (Allocation of Options Exercise), Rule 68 (Subject), Rule 68-3 (Delivery Price for Physical Transactions), Rule 68-6 (Coordination for Physical Transactions), Rule 70 (Transfer of Positions), Rule 70-2 (Transfer or Orderly Disposition of Positions), Rule 71 (Default Procedure), Rule 73 (Procedure of Defaulting Non-delivery Positions), Rule 74 (Disposition for Defaulting Delivery Positions), Rule 77 (Calculation of Losses Arising from Default), Rule 77-2 (Special Provisions for the Transfer of Positions and Order Processing in the Discontinued Commodity Market and the Newly Established Commodity Market), Rule 78 (Matters to be publicly Posted), Rule 79 (Notification and Public Posting of Total Trading Volume and Other Information), Rule 80 (Measures to be Taken When Operational Trouble of the Electronic Trading System Occurs), Rule 80-2 (Measures to be Taken When a Trade is Executed As a Result of an Erroneous Order, etc.), Rule 81 (Notification of Trade Cancellation), Rule 82 (Emergency Measures), Rule 85 (Membership Qualification), Rule 87 (Category of Membership), Rule 88 (Disqualifying Conditions), Rule 94 (Condition to Trade), Rule 95 (Addition or Partial Waiver of Membership), Rule 96 (Change in the Category of membership), Rule 100 (Transactions, etc. in Case of Merger of the Applicant for Waiver of Membership), Rule 101 (Procedure of Waiver of Membership), Rule 104 (Settlement of Proprietary Position After Waiver of the Membership), Rule 105 (Settlement of Customer Position After Waiver of Broker Membership), Rule 105-2 (Special Rules for Settlement of Customer Position After Waiver of Broker Membership), Rule 105-3 (Special Rules for Settlement of Customer Position after Waiver of Remote Broker Membership), Rule 106 (Succession to the Status of a Member), Rule 108 (member Representative), Rule 119 (Matters to be Notified), Rule 124 (Input of Orders Through System Trading), Rule 125 (Prohibition of False Report on Transaction), Rule 132 (Suspension of Transaction), Rule 133 (Measures in Case of Default) and Rule 143 (Associate Member) shall be effective on the later of October 31, 2016 or the day on which the approval was obtained pursuant to Article 156, Paragraph 1 of the Commodity Derivatives Transaction Act (Act No. 239, 1950) (i.e. October 31, 2016).

### **Rule 2**

Trade Members and Affiliate Members who obtained Membership in accordance with Rule 87 (Category of Membership) before October 31, 2016 shall become Trade Member (only for the Members who have business offices or offices in Japan for the transactions in the TOCOM markets) or Remote Trade Member (only for the Members who do not have business offices or offices in Japan for the transactions in the TOCOM markets) as of October 31, 2016.

### **Supplementary Provisions**

Newly established Rule 63-3-6 (Payment Unit for Delivery on Request) and the revisions to the provisions of Rule 3 (Detailed Rules), Rule 12 (Underlying of Cash-settled Futures Transactions), Rule 17 (Price quotation Unit, Price Increments, Contract Unit, Delivery Unit, Exercise Unit, etc.), Rule 36 (Settlement Price), Rule 63-2 (Theoretical Spot Price), Rule 63-3-4 (Delivery Price for Delivery on Request), Rule 63-3-6 (Delivery Procedure for Delivery on Request), Rule 63-3-7 (Coordination for Delivery on Request), Rule 78 (Matters to be Publicly Posted), Rule 105-2 (Special Rules for Settlement of Customer Position After Waiver of Broker Membership) and Rule 105-3 (Special Rules for Settlement of Customer Position after Waiver of Remote Broker Membership) shall become effective on the later of March 21, 2017 or the day on which the approval was obtained pursuant to Article 156, Paragraph 1 of the Commodity Derivatives Transaction Act (Act No. 239, 1950) (i.e., February 1, 2017).

### **Supplementary Provisions**

Newly established Rule 31-3-2 (EFF Transactions), Rule 31-3-3 (Suspension of EFF Transactions), Rule 62-3 (Delivery on Request for Cash-settled Monthly Futures Transactions), Chapter 7.2-2 "Delivery on Request for Cash-settled Monthly Futures Transactions", Rule 62-4 (Subject), Rule 62-5 (Products Eligible for Delivery on Request) and Rule 63 (Delivery Unit for Delivery on Request for Cash-settled Monthly Futures Transactions), and the revisions to the provisions of Rule 3 (Detailed Rules), Rule 12 (Underlying of Cash-settled Futures Transactions), Rule 14 (Last Trading Day of the Current Contract Month and Expiry of Cash-settled Rolling Spot Futures Transactions), Rule 15 (First Trading Day, etc.), Rule 16 (Trading Periods), Rule 17 (Price quotation Unit, Price Increments, Contract Unit, Delivery Unit, Exercise Unit, etc.), Rule 36 (Settlement Price), Rule 61 (Final Settlement Day), Rule 62 (Final Settlement Price), Rule 63 (Settlement Method for Current Contract Month Positions), Section 7.2-2, Rule 63-3 (Settlement Method for Positions in Cash-settled Rolling Spot futures Transactions), Rule 63-3-2 (Subject), Rule 63-3-3 (Delivery Date and Time for Delivery on Request), Rule 63-3-4 (Delivery Price for Delivery on Request), Rule 63-3-5 (Payment Amount for Delivery on Request), Rule 63-3-6 (Delivery Unit for Delivery on Request), Rule 63-3-7 (Delivery Procedure for Delivery on Request), Rule 63-3-8 (Coordination for Delivery on Request), Chapter 7.2-3, Rule 77 (Calculation of Losses Arising from Default), Rule 78 (Matters to be Publicly Posted), Rule 79 (Notification and Public Posting of Total Trading Volume and Other Information), Rule 119 (Matters to be Notified) and Rule 120 (Reporting of Financial Results) shall become effective on the later of May 8, 2017 or the day on which the approval was obtained pursuant to Article 156, Paragraph 1 of the Commodity Derivatives Transaction Act (Act No. 239, 1950) (i.e., April 28, 2017).

### **Supplementary Provisions**

Revisions to the provisions of Rule 54 (Warehouse Receipt and Shipping Request for Commodities to be Delivered), Rule 57 (Declared Delivery) and Rule 58 (Customized Delivery) shall become effective on the later of January 1, 2018, or the day on which the approval was obtained pursuant to Article 156, Paragraph 1 of the Commodity Derivatives Transaction Act (Act No. 239, 1950) (i.e. December 27, 2017).

### **Supplementary Provisions**

Revisions to the provisions of Rule 31 (Special Transactions), Rule 47 (Settlement by Delivery) and Rule 50 (Delivery Date and Time) shall become effective on the day on which the approval was obtained pursuant to Article 156, Paragraph 1 of the Commodity Derivatives Transaction Act (Act No. 239, 1950) (i.e. May 15, 2018).

### **Supplementary Provisions**

Revisions to the provisions of Rule 14 (Last Trading Day of the Current Contract Month and Expiry of Cash-settled Rolling Spot Futures Transactions), Rule 15 (First Trading Day, etc.) and Rule 61

(Final Settlement Day) shall become effective on the day on which the approval was obtained pursuant to Article 156, Paragraph 1 of the Commodity Derivatives Transaction Act (Act No. 239, 1950) (i.e. September 12, 2018).

### **Supplementary Provisions**

Revisions to the provisions of Rule 9-2 (Commodity Markets, Listed Products, etc.), Rule 10 (Underlying Products of Transactions), Rule 11 (Standard Grade Materials), Rule 14 (Last Trading Day of the Current Contract Month and Expiry of Cash-settled Rolling Spot Futures Transactions), Rule 17 (Price Quotation Unit, Price Increments, Contract Unit, Delivery Unit, Exercise Unit, etc.), Rule 37 (Execution Price Differential, Settlement Price Differential, and Strike Price Differential), Rule 49 (Delivery Points), Rule 50 (Delivery Date and Time), Rule 52 (Delivery Payment), Rule 54 (Warehouse Receipt and Shipping Request for Commodities to be Delivered), Rule 56 (Early Delivery), Rule 58 (Customized Delivery), Rule 62-2 (Settlement Method for Current Contract Month Positions) and Rule 123 (Demand for Submission of Books and Audit) shall become effective on the later of October 9, 2018 or the day on which the approval was obtained pursuant to Article 156, Paragraph 1 of the Commodity Derivatives Transaction Act (Act No. 239, 1950) (i.e. October 5, 2018).

### **Supplementary Provisions**

Newly established Rule 44-2 (Same-Day Delivery of Clearing Margins by Non-Clearing Participants who are Broker Members) and Rule 55-2 (Same-Day Delivery of Delivery Payment etc. for Customer Positions by Non-Clearing Participants who are Broker Members) shall become effective on the later of October 9, 2018, or the day on which the approval was obtained pursuant to Article 156, Paragraph 1 of the Commodity Derivatives Transaction Act (Act No. 239, 1950) (i.e. October 9, 2018).

### **Supplementary Provisions**

Revisions to the provisions of Rule 11 (Standard Grade Materials) and Rule 12 (Underlying of Cash-settled Futures Transactions) shall become effective on the later of July 1, 2019, or the day on which the approval was obtained pursuant to Article 156, Paragraph 1 of the Commodity Derivatives Transaction Act (Act No. 239, 1950) (i.e. June 26, 2019).

### **Supplementary Provisions**

Newly established Chapter 8-4 Special Provisions for Transactions, etc. in Electricity Market, Rule 77-9 (Special Provisions for Transactions in Electricity Market), Rule 77-10 (Prohibition of Insider Trading), Rule 77-11 (Information Publication) and Rule 77-12, and revisions to the provisions of Rule 3 (Detailed Rules), Rule 5 (Trading Sessions and Hours), Rule 6 (Acceptance of Orders), Rule 9-2 (Commodity Markets, Listed Products, etc.), Rule 10 (Underlying Products of Transactions), Rule 11 (Standard Grade Materials), Rule 12 (Underlying of Cash-settled Futures Transactions), Rule 14 (Last Trading Day of the Current Contract Month and Expiry of Cash-settled Rolling Spot Futures Transactions), Rule 15 (First Trading Day, etc.), Rule 16 (Trading Periods), Rule 17 (Price Quotation Unit, Price Increments, Contract Unit, Delivery Unit, Exercise Unit, etc.), Rule 30 (Restriction on Position or Transaction), Rule 31-3-2 (ETF Transactions), Rule 36 (Settlement Price), Rule 49 (Delivery Points), Rule 50 (Delivery Date and Time), Rule 54 (Warehouse Receipt and Shipping Request for Commodities to be Delivered), Rule 57 (Declared Delivery), Rule 58 (Customized Delivery), Rule 59 (Settlement by Delivery of Gas Oil), Rule 61 (Final Settlement Day), Rule 62 (Final Settlement Price), Rule 74 (Disposition for Defaulting Delivery Positions), Rule 85 (Membership), Rule 86 (Classification of Members), Rule 95 (Addition or Partial Waiver of Membership), Rule 112 (Guarantee Fund), Rule 137 (Special Rules for Sanctions) and Rule 143 (Associate Member) shall become effective on the later of September 17, 2019 or the day on which the approval was obtained pursuant to Article 156, Paragraph 1 of the Commodity Derivatives Transaction Act (Act No. 239, 1950) (i.e. August 9, 2019).

### **Supplementary Provisions**

#### **Rule 1**

Revisions to the provisions of Rule 1 (Purpose), Rule 90 (Membership Examination and Approval), Rule 95 (Addition or Partial Waiver of Membership), Rule 96 (Change in the Category of Membership), Rule 109 (request for Remediation of Member's Articles of Incorporation), Rule 110

(Responses, etc. to Demand for change), Rule 130 (sanctions Against members), Rule 131 (Opportunity to Provide Explanation Against Sanctions), Rule 135 (Lifting of Suspension of Transactions), Rule 136 (Objection), Rule 137 (Special Rules for Sanctions), Rule 140 (Notification) and Rule 142 (recommendation) shall become effective on the later of December 1, 2019 or the day on which the approval was obtained pursuant to Article 156, Paragraph 1 of the Commodity Derivatives Transaction Act (Act No. 239, 1950) (i.e. November 29, 2019).

#### **Rule 2**

Revisions to the provisions of Rule 49 (Delivery Points) shall become effective on the day on which the approval was obtained pursuant to Article 156, Paragraph 1 of the Commodity Derivatives Transaction Act (Act No. 239, 1950) (i.e. November 29, 2019) and shall be apply to the contracts on and after June 2020.

#### **Rule 3**

Revisions to the provisions of Rule 88 (Disqualifying Conditions) shall become effective on December 14, 2019.

### **Supplementary Provisions**

#### **Rule 1**

Revisions to the provisions of Rule 3 (Detailed Rules), Rule 4 (Definition of Transactions), Rule 9-2 (Commodity Markets, Listed Products, etc.), Rule 17 (Price Quotation Unit, Price Increments, Contract Unit, Delivery Unit, Exercise Unit, etc.), Rule 63-3-7 (Delivery Procedure for Delivery on Request), Rule 77 (Calculation of Losses Arising from Default) and Rule 79 (Notification and Public Posting of Total Trading Volume and Other Information), and deletion of Rule 13-2 (Underlying of Physical Transactions), Chapter 4-2, Rule 35-2-2 (Subject), Rule 35-2-3 (Trading Hours of Physical Transactions), Rule 35-2-4 (Conclusion of Physical Transactions), Rule 35-2-5 (Negotiated Transactions), Rule 35-2-6 (Restrictions on Physical Transactions), Rule 38-2 (Notification of Physical Transaction), Chapter 7 Section 4, Rule 68 (Subject), Rule 68-2 (Delivery date and time for Physical Transactions), Rule 68-3 (Delivery Price for Physical Transactions), Rule 68-4 (Payment for Physical Transactions), Rule 68-5 (Delivery Method for Physical Transactions) and Rule 68-6 (Coordination for Physical Transactions) shall become effective on the later of April 30, 2020 or the day on which the approval was obtained pursuant to Article 156, Paragraph 1 of the Commodity Derivatives Transaction Act (Act No. 239, 1950) (i.e. April 30, 2020).

#### **Rule 2**

Newly established Rule 26 (Transactions for Error Correction, etc.), Rule 47 (Notification of Close-out Quantity, etc.), Rule 48 (Position Reporting of Non-Clearing Participant), Rule 49 (Obligation to Report the Information Related to Transactions of Customers), Rule 52 (Type of Currencies), Rule 53 (Substitute Securities), Rule 57 (Special Rules for the Clearing Margin Deposited by the Intermediary), Rule 78 (Payment for Final Settlement) Rule 85 (Transfer of Positions of Clearing Participants), Rule 86 (Transfer of Positions of Non-Clearing Participants), Rule 87 (Completion of Transfer of Positions) and Rule 95-2 (Publication of Orders with Errors), Revisions to the provisions of Rule 3 (Detailed Rules), Rule 4 (Definition of Transactions), Rule 5 (Trading Sessions and Hours), Rule 6 (Acceptance of Orders). Rule 6-2 (Order Correction and Cancellation), Rule 7 (Business Days and Holidays), Rule 8 (Temporary Opening and Closing of Session), Rule 9 (Temporary Halt of Session), Name of Chapter 3, Rule 9-2 (Commodity Markets, Listed Products, etc.), Rule 10 (Underlying Products of Transactions), Rule 11 (Standard Grade Materials), Rule 12 (Underlying of Cash-settled Futures Transactions), Rule 14 (Last Trading Day of the Current Contract Month and Expiry of Cash-settled Rolling Spot Futures Transactions), Rule 15 (First Trading Day, etc.), Rule 16 (Trading Periods), Rule 17 (Price Quotation Unit, Price Increments, Contract Unit, Delivery Unit, Exercise Unit, etc.), Rule 18 (Method of Trade Execution), Rule 19 (Individual Auction), Rule 20 (Principles of Individual Auction), Rule 21 (Type of Orders), Rule 22 (Distribution of Bids and Offers), Rule 23 (Confirmation of Transaction), Rule 24 (Customer Type Correction), Rule 25 (Transfer at the Time of a Breakdown of Member Terminals), Rule 26 (Give-up), Rule 27 (Give-up Application), Rule 28 (Take-up Application), Rule 28-2 (Special Provisions for Give-up Applications and Take-up Applications), Rule 28-3 (Cancellation of Give-up), Rule 30 (Restriction on Position or Transactions), Rule 31 (Special Transactions), Rule 31-2 (Off-floor Transactions), Rule 31-3 (Suspension of Off-floor Transactions), Rule 31-3-2 (EFF Transactions), Rule 31-3-3 (Suspension of EFF Transactions), Rule 32 (EFP Transactions and EFS Transactions), Rule 33 (Contract Months Eligible for Request for EFP Transactions, etc.),

Rule 34 (Requesting Price for EFP Transactions, etc.), Rule 35 (Suspension of EFP Transactions, etc.), Rule 35-2 (Stop Loss Transactions), Chapter 4-3, Rule 35-3 (Settlement of Transaction in Commodity Markets), Chapter 5, Rule 36 (Settlement Price), Rule 37 (Execution Price Differential, Settlement Price Differential, and Strike Price Differential), Rule 39 (Receipt and Payment of Execution Price Differential, Settlement Price Differential, Strike Price Differential, and Options Premium), Chapter 6, Rule 40 (Clearing Margins), Rule 41 (Clearing Margins for Clearing Participants), Rule 42 (Deposit of Clearing Margins for Proprietary Positions by Non-Clearing Participants), Rule 43 (Deposit of Clearing Margins for Customer Positions by Non-Clearing Participants who are Broker Members), Rule 44 (Cutoff Time for Deposit of Clearing Margins Applied to Non-Clearing Participants), Rule 45 (maintaining of Clearing Margins by Non-Clearing Participants), Chapter 7, Rule 47 (Settlement by Delivery), Rule 48 (Good Delivery Materials), Rule 49 (Delivery Points), Rule 50 (Delivery Date and Time), Rule 51 (Delivery Price), Rule 52 (Delivery Payment), Rule 53 (Consumption Tax Applicable to Delivery), Rule 54 (Warehouse Receipt and Shipping Request for Commodities to be Delivered), Rule 55 (Storage Costs until Completion of Delivery), Rule 55-2 (Same-day Delivery of Delivery Payment etc. for Customer Positions by Non-Clearing Participants who are Broker Members), Rule 57 (Declared Delivery), Rule 58 (Customized Delivery) Rule 58-2 (ADP), Rule 59 (Settlement by Delivery of Gas Oil), Rule 60 (Notification Concerning Delivery of Gas Oil), Chapter 7-2, Rule 61 (Final Settlement Day), Rule 62 (Final Settlement Price), Rule 62-2 (Settlement Method for Current Contract Month Positions), Rule 62-3 (Delivery on Request for Cash-settled Monthly Futures Transactions), Number and name of Chapter 7 Sections 2-2, Rule 62-4 (Subject), Rule 62-5 (Products Eligible for Delivery on Request), Rule 63 (Delivery Unit for Delivery on Request for Cash-settled Monthly Futures Transactions), Number of Chapter 7 Section 5, Rule 69 (Settlement Method), number of Chapter 8, Rule 70 (Transfer of Positions), Rule 70-2 (Transfer or Orderly Disposition of Positions), Rule 70-3 (Notification Concerning Transfer of Positions), number of Chapter 8-2, Rule 71 (Default Procedure), number of Rule 8-4, Rule 77-9 (Special Provisions for Transaction in Electricity Market), Rule 77-10 (Prohibition of Insider Trading), Rule 77-11 (Information Publication), Rule 77-12 (Matters to be Notified), number of Chapter 9, Rule 78 (Matters to be Publicly Posted), Rule 79 (Notification and Public Posting of Total Trading Volume and Other Information), Rule 80 (Measures to be Taken When Operational Trouble of the Electronic Trading System Occurs), Rule 80-2 (Measures to be Taken When a Trade is Executed as a Result of an Erroneous Order, etc.) Rule 81 (Notification of Trade Cancellation), Rule 82 (Emergency Measures), Rule 82-2 (Measures Based on an Order of the Regulating Minister), Rule 83 (Decision on Necessary Matters Concerning Market Administration) Rule 84 (Objection), Rule 85 (Membership), Rule 86 (Classification of Members), Rule 87 (Category of Membership), Rule 88 (Disqualifying Conditions), Rule 89 (Application for Acquisition of Membership), Rule 90 (Membership Examination and Approval), Rule 91 (Procedures for Acquisition of Membership), Rule 92 (Amount of Registration Fees and Fee for Registered Name Amendment), Rule 93 (Date of Acquisition of Membership), Rule 94 (Condition to Trade), Rule 95 (Addition or Partial Waiver of Membership), Rule 96 (Change in the Category of Membership), Rule 97 (Notice of Waiver of Membership), Rule 98 (Posting of Notice of Waiver of Membership), Rule 99 (Waiver of Membership as a Natural Consequence), Rule 100 (Transactions, etc. in Case of Merger of the Applicant for Waiver of Membership), Rule 101 (Procedure of Waiver of Membership), Rule 102 (Fulfillment of Obligations at the Time of Full Waiver of Membership), Rule 103 (Procedure After Full Waiver of Membership), Rule 104 (Settlement of Proprietary Position After Waiver of the Membership), Rule 105 (Settlement of Customer Position After Waiver of Broker Membership), Rule 105-2 (Special Rules for Settlement of Customer Position After Waiver of Broker Membership), Rule 105-3 (Special Rules for Settlement of Customer Position after Waiver of Remote Broker Membership), Rule 106 (Succession to the Status of a Member), Rule 107 (Conclusion of Membership Agreement), Rule 108 (Member Representative), Rule 108-2 (Contact Agent of Remote Trade Member or Remote Broker Member), Rule 109 (Request for Remediation of Member's Articles of Incorporation and Other Matters), Rule 110 (Responses, etc. to Demand for Change), Rule 111 (Payment of Trading Fees), Rule 112 (Guarantee Fund), Rule 113 ( Preferential Payment of Guarantee Fund), Rule 114 (Substitution by Securities), Rule 115 (Designation Standards for Substitute Securities), Rule 116 (Deposit of Member Security Deposit), Rule 117 (Prohibition of Transfer of Right to Claim Return of Guarantee Fund), Rule 118 (Limitation of Liability for Use of Facilities), Rule 119 (Matters to be Notified), Rule 120 (Reporting of Financial Results), Rule 121 (Separate Accounting and Retention of Books), Rule 122

(Separate Accounting and Retention of Books of Broker Members), Rule 122-2 (Separate Accounting and Retention of Books of Remote Broker Members), Rule 123 (Demand for Submission of Books and Audit), Rule 124 (Input of Orders Through System Trading), Rule 125 (Prohibition of False Report on Transaction), Rule 126 (Duties of Employer), Rule 127 (Appointment of Designated Clearing Participant), Rule 128 (Notification of Conclusion of Clearing Agreement), Rule 129 (Reporting of Cancellation of Clearing Agreement), Rule 130 (Sanctions Against Members), Rule 131 (Opportunity to Provide Explanation Against Sanctions), Rule 131-2 (Measures for Members Subject to Sanctions by Laws and Regulations), Rule 132 (Suspension of Transaction), Rule 133 (Measures in Case of Default), Rule 134 (Measures in Case of Default by Non-Clearing Participant), Rule 135 (Lifting of Suspension of Transactions), Rule 136 (Objection), Rule 137 (Special Rules for Sanctions), Rule 138 (Notification and Posting of Sanctions), Rule 139 (Display of Suspension of Commodity Futures Transactions Business etc.), Rule 140 (Notification), Rule 141 (Violation of the Fair and Equitable Principles of Transactions), Rule 142 (Recommendation), Rule 143 (Associate Member, Rule 144 (Interest on Deposits) and Rule 145 (Special Measures in Case of Force Majeure), and delete of Rule 6-3 (Orders through Customer Direct Access), Rule 13 (Underlying of Options Transactions), Rule 16-2 (Rolling Spot Futures Transactions), Rule 29 (Special Provision for the Default Procedure), Rule 38 (Notification of Off-set Transaction), Rule 43-2 (Deposit of Clearing Margins for Customer Positions by Non-Clearing Participants who are Remote Trade Members), Rule 44-2 (Same-Day Delivery of Clearing Margins by Non-Clearing Participants who are Broker Members), Rule 46 (Notification of Clearing Margin Maintenance Amount, etc. by Non-Clearing Participants), Rule 56 (Early Delivery), name of Chapter 8 Section 2-3, Rule 63-2 (Theoretical Spot Price), Rule 63-3 (Settlement Method for Positions in Cash-settled Rolling Spot Futures Transactions), name of Chapter 7 Section 2-4, Rule 63-3-2 (Subject), Rule 63-3-3 (Delivery Date and Time for Delivery on Request), Rule 63-3-4 (Delivery Price for Delivery on Request), Rule 63-3-6 (Payment Amount for Delivery on Request), Rule 63-3-7 (Delivery Procedure for Delivery on Request), Rule 63-3-8 (Coordination for Delivery on Request), name of Chapter 7 Section 3, Rule 64 (Exercise Day, etc.), Rule 64-2 (Final Settlement Price of Options Transaction), Rule 65 (Notification of Options Exercise), Rule 66 (Allocation of Options Exercise), Rule 67 (Expiration of Options Positions upon Options Exercise), Rule 72 (delete), Rule 73 (Procedure of Defaulting Non-delivery Positions) Rule 74 (Disposition for Defaulting Delivery Positions), Rule 75 (delete), Rule 76 (Notification Concerning Transfer of Positions and Default Procedure), Rule 77 (Calculation of Losses Arising from Default), name of Chapter 8-3, Rule 77-2 (Special Provisions for the Transfer of Positions and Order Processing in the Discontinued Commodity Market and the Newly Established Commodity Market), Rule 77-3 (Handling of Positions, etc.), Rule 77-4 (Handling of Cases Where New Membership is Not Acquired, etc.), Rule 77-5 (Handling of Defaulting Persons), Rule 77-6 (Notification and Public Notice), Rule 77-7 (Objection) and Rule 77-8 (Replacement of Terms Regarding Settlement of Transaction in Commodity Markets) shall become effective on the later of July 27, 2020 or the day on which the approval was obtained pursuant to Article 156, Paragraph 1 of the Commodity Derivatives Transaction Act (Act No. 239, 1950) (i.e. July 27, 2020).

**Rule 3**

The remaining positions in rubber market, precious metals market and sugar & agricultural product market (RSS, TSR, gold, silver, platinum, palladium, soybeans azuki and corn (hereinafter referred to as “transfer products”) on the day before these amendments of the rules take effect shall be handled as unsettled contracts of derivatives transactions in the commodity related markets of Osaka Exchange, Inc. (hereinafter referred to as “Osaka Exchange”) after these amendments of the rules take effect.

**Rule 4**

Notwithstanding the provisions of the preceding two rules, in the event that there is operational trouble of the electronic trading system or other unavoidable reasons that it is deemed necessary by the Exchange or Osaka Exchange, the new Rule, amendment, and delete in Rule 2 shall take effect from the day separately provided by the Exchange and Osaka Exchange after the effective date in the preceding rules.

**Rule 5**

All effective orders remained on the previous business day of effective date or the day separately provided by the Exchange and Osaka Exchange shall be terminated at the end of day session of previous business day of transfer day.

#### **Rule 6**

The Rule of this Market Rules (Rule 69 (Settlement Method)) shall not apply to the remaining positions of the products to be transferred to Osaka Exchange at the end of day session of the business day prior to the transfer date.

#### **Supplementary Provisions**

Revisions shall become effective on April 1, 2021.

#### **Supplementary Provisions**

1. Revisions shall become effective on September 21, 2021.
2. Notwithstanding the provisions of the preceding paragraph, in the event of operational trouble of the electronic trading system or other unavoidable reasons that deemed necessary by the Exchange, the revisions shall take effect from the day separately provided by the Exchange after the effective date in the preceding paragraph.

#### **Supplementary Provisions**

Revisions shall become effective on December 13, 2021.

#### **Supplementary Provisions**

Revisions shall become effective on the later of January 31, 2022 or the day on which the approval was obtained pursuant to Article 156, Paragraph 1 of the Commodity Derivatives Transaction Act (Act No. 239, 1950) .

#### **Supplementary Provisions**

1. Revisions shall become effective on April 4, 2022.
2. Notwithstanding the provisions of the preceding paragraph, in the event of operational trouble of the electronic trading system or other unavoidable reasons that deemed necessary by the Exchange, the revisions shall take effect from the day separately provided by the Exchange after the effective date in the preceding paragraph.

#### **Supplementary Provisions**

1. Revisions shall become effective on the later of September 21, 2022 or the day on which the approval was obtained pursuant to Article 156, Paragraph 1 of the Commodity Derivatives Transaction Act (Act No. 239, 1950).
2. Notwithstanding the provisions of the preceding paragraph, in the event of operational trouble of the electronic trading system or other unavoidable reasons that deemed necessary by the Exchange, the revisions shall take effect from the day separately provided by the Exchange that is within 3 months of the effective date prescribed in the preceding paragraph.

#### **Supplementary Provisions**

Revisions shall become effective on the later of January 1, 2023 or the day on which the approval was obtained pursuant to Article 156, Paragraph 1 of the Commodity Derivatives Transaction Act (Act No. 239, 1950) .

#### **Supplementary Provisions**

The revisions shall take effect on the later of October 1, 2023, or the day on which the approval was obtained pursuant to Article 156, Paragraph 1 of the Commodity Derivatives Transaction Act (Act No. 239, 1950).

#### **Supplementary Provisions**

1. Revisions shall become effective on the later of March 18, 2023 or the day on which the approval was obtained pursuant to Article 156, Paragraph 1 of the Commodity Derivatives Transaction Act (Act No. 239, 1950).
2. Notwithstanding the provisions of the preceding paragraph, in the event of operational trouble of the electronic trading system or other unavoidable reasons that deemed necessary by the Exchange, the revisions shall take effect from the day separately provided by the Exchange that is within 3 months of the effective date prescribed in the preceding paragraph.

### **Supplementary Provisions**

1. The revisions shall become effective on the later of May 1, 2024, or the day on which the approval was obtained pursuant to Article 156, Paragraph 1 of the Commodity Derivatives Transaction Act (Act No. 239, 1950).
2. The Market Rules that were approved by 20230913 Commerce No. 5 dated September 21, 2023 shall be revised as follows.  
"the TOCOM market" in the revised provisions of Rule 5, Paragraph 1 shall be revised to "the Exchange market", "Non-Clearing Participant" in the revised provisions of Rule 5, Paragraph 1 shall be revised to "Non-Clearing Participant (meaning a Member without a Commodity Transaction Clearing Qualification (meaning the Commodity Transaction Clearing Qualification prescribed in the Japan Securities Clearing Corporation (hereinafter referred to as "JSCC") Business Rules on Business of Assuming Commodity Transaction Debts) at JSCC; the same shall apply hereinafter), and "central processing system" in the revised provisions of Rule 6, Paragraph 1 shall be revised to "trading systems using computers, etc. set up by Osaka Exchange, Inc (hereinafter referred to as "OSE") for the use of the Exchange (hereinafter referred to as "trading systems"))".

### **Supplementary Provisions**

The revisions shall become effective on the later of October 28, 2024, or the day on which the approval was obtained pursuant to Article 156, Paragraph 1 of the Commodity Derivatives Transaction Act (Act No. 239, 1950).

### **Supplementary Provisions**

1. The revisions shall become effective on the later of November 5, 2024, or the day on which the approval was obtained pursuant to Article 156, Paragraph 1 of the Commodity Derivatives Transaction Act (Act No. 239, 1950).
2. Notwithstanding the provisions of the preceding paragraph, if the Exchange deems it inappropriate to implement the revisions on November 5, 2024 due to problems with operating the trading system or any other unavoidable reasons, they shall be implemented on a later date specified by the Exchange.

### **Supplementary Provisions**

The revisions shall become effective on the later of April 3, 2025, or the day on which the approval was obtained pursuant to Article 156, Paragraph 1 of the Commodity Derivatives Transaction Act (Act No. 239, 1950).

### **Supplementary Provisions**

1. These revisions shall become effective on the later of May 26, 2025 or the day on which the approval was obtained pursuant to Article 156, Paragraph 1 of the Commodity Derivatives Transaction Act (Act No. 239, 1950).
2. Notwithstanding the provisions of the preceding paragraph, if the Exchange deems it inappropriate to implement the revisions on said date due to problems with operating the trading system or any other unavoidable reasons, the revisions shall take effect from the day separately provided by the Exchange that is within 3 months of the effective date prescribed in the preceding paragraph.

### **Supplementary Provisions**

1. These revisions shall take effect on the later of April 13, 2026 or the day on which approval was obtained pursuant to Article 156, Paragraph 1 of the Commodity Derivatives Transaction Act (Act No. 239, 1950).
2. Notwithstanding the provisions of the preceding paragraph, if the Exchange deems it inappropriate to implement the revisions on said date due to problems with operating the trading system or any other unavoidable reasons, the revisions shall take effect from a day separately provided by the Exchange that is within 3 months of the effective date prescribed in the preceding paragraph.