

(As of July 1st, 2010)

Clearing and Settlement Rules

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Article 1 (Purpose)

1. These Rules shall, pursuant to Article 3.13 of the Market Rules, prescribe necessary matters for clearing and settlement pertaining to transactions executed in commodity markets of the Exchange.

Article 2 (Compensation for Damage Caused by Default)

1. When a Clearing Participant has caused damage to the Japan Commodity Clearing House Co., Ltd. ("Clearing House") as a result of default on liabilities arising from transactions on a market of the Exchange, the Clearing House shall, with regard to the funds deposited as Guarantee Funds for participating the TOCOM market, pertaining to said transactions of the Clearing Participant who has caused the damage, have the right to receive repayment in preference over other creditors.
2. Notwithstanding the provisions of the preceding paragraph, the right of a customer to receive preferential repayment, under the provisions of Article 113 of the Market Rules, shall take precedence over the right of the Clearing House with regard to the Guarantee Funds set forth in the same paragraph.

Article 3 (Measures Related to Losses or Damages of the Clearing House)

1. Where the Clearing House incurs losses or damages as a result of a Clearing Participant's default on liabilities, arising from transactions on a market of the Exchange, the Exchange shall compensate for the losses under the guarantee consigned by such Clearing Participant within the scope of the agreement previously entered into with the Clearing House.

Article 4 (Order to make up for the Losses or Damages)

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

Article 5 (Revision or Abolition of the Rules)

1. Revision or Abolition to these Rules shall be approved by the President & CEO.

Supplementary Provisions

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

Supplementary Provisions

Revisions to Article 2.2 shall be in effect on May 7, 2009.

Supplementary Provisions

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

Supplementary Provisions

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