

System Trading Detailed Rules

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Article 1 (Purpose)

1. These Rules shall, based on the provisions of Article 3.2 of the Market Rules, prescribe matters necessary for the System Trading.

Article 2 (Order Types)

1. The types of orders in the System Trading prescribed in Article 21 of the Market Rules shall be provided for in each of the following items:
 - (1) Limit Order ("LO"): An order that is placed with specified price (index price for index futures transaction: same shall apply hereinafter);
 - (2) Market Order ("MO"): An order that is placed without a specified price;
 - (3) Market to Limit Order ("MTLO"): An MTLO is an order that is placed without a specified price and will be registered as an LO at the best price on the opposite side of Buy/Sell or if there is no order on the opposite side of Buy/Sell, will be registered as an LO at a price that takes precedence by one unit of the price increment over the best price on the same side of Buy/Sell, provided that there are registered orders on that side. An MTLO will be cancelled if there is no registered order on either side of Buy/Sell;
 - (4) Best Limit Order ("BLO"): A BLO is an order that is placed without a specified price and will be registered as an LO at the best price on the same side of Buy/Sell. A BLO will be cancelled if there is no order on the same side of Buy/Sell;
 - (5) Stop Order ("SO"): An order that will be converted to an LO, MO, MTLO, BLO, or SCO prescribed in the following item if the best price of Buy/Sell order or the last execution price has reached or exceeded the designated price or has reached or fallen below the designated price;
 - (6) Standard Combination Order ("SCO"): An order that corresponds to a combination of two opposite orders simultaneously executed in the same quantity for a Spread Series prescribed in Article 6.1; and
 - (7) Non-standard Combination Order ("NSCO"): An order that corresponds to a combination of a sell order or buy order on one side and a sell order or buy order on the other side executed simultaneously for any combination of contract months or Option Series prescribed in Article 6.2 or Spread Series prescribed in Article 6.1.

Article 3 (Order Conditions)

1. In placing an order, any of the conditions prescribed in each of the following items ("Order Condition") may be designated:
 - (1) Fill and Store ("FaS"): At the time of order registration, the order shall be executed for as much quantity as possible and the remainder shall be registered;
 - (2) Fill and Kill ("FaK"): At the time of order registration, the order shall be executed for as much quantity as possible and the remainder shall be cancelled; or
 - (3) Fill or Kill ("FoK"): At the time of order registration, the order shall be executed for the entire quantity, or otherwise completely cancelled.

Article 4 (Orders Duration, etc.)

1. An order shall cease to be effective at the close of the Day Session on a day designated by Trade Members, etc. (Trade Members, Broker Members, and Remote Members; the same shall apply hereinafter), or on the business day immediately preceding the designated day, if it falls on a holiday of the Exchange.
2. All orders in Contract Day Transaction shall cease to be effective at the close of the Day Session but resume with same order condition simultaneously until the day designated by Trade Members, etc. However, if the designated day falls on a holiday of the Exchange, an order shall not resume after the close of the Day Session on the business day immediately preceding the designated day.
3. Notwithstanding the provisions of the Paragraph 1 and Paragraph 2, an order accepted during the order acceptance period of a Night Session with the instruction that the order be effective only for the Night Session shall cease to be effective at the close of the Night Session.
4. Notwithstanding the provisions of Paragraph 1 and Paragraph 2, if an SO accepted during the order acceptance period of a Day Session fails to meet the Stop Trigger Conditions prescribed in Article 5.3, such SO shall cease to be effective at the close of the Day Session. Similarly, if an SO accepted during the order acceptance period of a Night Session fails to meet the Stop Trigger Conditions prescribed in Article 5.3, such SO shall cease to be effective at the close of the Night Session.

Article 5 (Placement of Order)

1. In placing an order, Trade Members, etc. shall specify the following matters (excluding those that are unnecessary in light of the nature of the relevant order type) separately for each order on the central processing unit of the Exchange, through a Member Terminal:
 - (1) Order Category (New/Cancel/Correction);

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- (2) Type of Transaction;
 - (3) Type of Listed Commodity or Listed Commodity Index;
 - (4) Contract Month or Spread Series prescribed in Article 6.1;
 - (5) Strike Price;
 - (6) Order Type;
 - (7) Buy/Sell Indicator;
 - (8) Quantity;
 - (9) Price;
 - (10) Order Condition;
 - (11) Order Duration;
 - (12) Customer Type Indicator;
 - (13) Open/Close Indicator; and
 - (14) Stop Trigger Conditions (conditions for the registration of an order).
2. For orders placed, pursuant to the provisions of the preceding paragraph, the applicable combination shall be prescribed in Schedule 1, including the order categories prescribed in Item 1 of the preceding paragraph, the order types prescribed in Article 2, the order condition prescribed in Article 3, and the order duration prescribed in Article 4.
 3. For SOs placed by Trade Members, etc., the Stop Trigger Conditions prescribed in Item 14 of Paragraph 1 and the type of commodity pertaining to the order to be registered once the Stop Trigger Conditions are met, shall be within the same market division.
 4. For the Buy/Sell indicators prescribed in Item 7 of Paragraph 1, when SCOs are placed by Trade Members, etc., it shall be deemed a sell order if, with respect to the two contract months prescribed in Article 6.1, the order corresponds to the combination of a sell order for the contract month with a nearer expiration date ("near contract month") and a buy order for the contract month with a further expiration date ("distant contract month"). Likewise, it shall be deemed as a buy order if the order corresponds to the combination of a buy order for the near contract month and sell order for the distant contract month.
 5. For SCOs placed by Trade Members, etc., the price prescribed in Paragraph 1.9 shall be calculated by subtracting the price of the distant contract month from the price of the near contract month pertaining to the two contract months prescribed in Article 6.1 ("spread price").
 6. For NSCOs placed by Trade Members, etc., the price prescribed in Item 9 of Paragraph 1 shall be calculated, with respect to the two contract months or Option Series prescribed in Article 6.2 or the Spread Series prescribed in Article 6.1, as the sum of the price of a sell order multiplied by minus one (-1) and the price of a buy order.
 7. In exercising an option, Trade Members, etc. shall file the following matters on the central
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processing unit of the Exchange separately for each exercise:

- (1) Order Category(New/Cancel);
 - (2) Type of Transaction;
 - (3) Type of Commodity;
 - (4) Contract Month;
 - (5) Strike Price;
 - (6) Quantity; and
 - (7) Customer Type Indicator
8. Upon accepting or registering orders, pursuant to the provisions of preceding paragraph or accepting the request of exercise, pursuant to the provisions of Paragraph 6, the Exchange shall notify Trade Members, etc. of the specifics thereof.
9. Upon receipt of notification given, pursuant to the provisions of the preceding paragraph, Trade Members, etc. shall immediately confirm the particulars of such notification.

Article 6 (Combination of Contract Months)

1. The combination of contract months to which SCOs prescribed in Article 2.6 pertains shall be, for each Listed Commodity Component Product for Physically Delivered Futures Transactions and Cash-settled Futures Transactions, any combination of two contract months prescribed in Articles 16.1 and 16.2 of the Market Rules (“Spread Series”)(except the case with different contract unit prescribed in Articles 17 of the Market Rules), and shall be set up by the Exchange.
2. The combination to which NSCOs prescribed in Article 2.7 pertains shall be any combination of two contract months prescribed in Articles 16.1 through 16.3 of the Market Rules (or Option Series for Options Transactions) within the same market division (excluding cases where the applicable price increments prescribed in Article 17 of the Market Rules are different) or any combination of two Spread Series prescribed in the preceding paragraph, and shall be selected by Trade Members, etc. at their discretion.

Article 7 (Generation of Bait Order Pertaining to SCOs)

1. With respect to any SCO that has been registered, the Exchange may generate a buy or sell order (“Bait Order”) for the distant contract month in accordance with the buy or sell LO with the best price for the near contract month, or a buy Bait Order or sell Bait Order for the near contract month in accordance with the buy or sell LO with the best price for the distant contract month.

Article 8 (Exceptions for Registration of Orders)

1. “Otherwise provided for by the System Trading Detailed Rules” referred to in Article 6.1 of the Market Rules shall mean the case where the Exchange accepts and registers SOs on the central

processing unit in accordance with the precedence prescribed in Schedule 2 as such orders meet the Stop Trigger Conditions.

2. Notwithstanding the provisions of the preceding paragraph, the Exchange shall not register said SO that has met the Stop Trigger Conditions during the period from the start of the order acceptance period until the determination of the execution price prescribed in Articles 19.1.1 and 19.1.2 of the Market Rules or the period from the start of the temporary halt prescribed in Article 9 of the Market Rules until the determination of the execution price prescribed in Article 19.1.3 thereof.

Article 9 (Precedence between LO and Bait Order)

1. Precedence between an LO and a Bait Order with the same price shall be determined based on the time at which the LO and the SCO pertaining to the Bait Order is registered in the central processing unit.

Article 10 (Order Correction and Cancellation)

1. In cases where a Trade Member, etc., increased the quantity or changed the price of an order that has already been registered in the central processing unit, pursuant to the provisions of Article 5, the time at which such correction was made shall be the registration time referred to in Article 20.1.3 of the Market Rules.

Article 11 (Execution Price in Individual Auction)

1. The execution price, prescribed in Article 19.1 of the Market Rules, shall be determined in accordance with the provisions of each of the following items:
 - (1) When sell orders have been registered, an incoming buy LO with a price that is higher than the price of the sell orders or an incoming buy MO shall be matched sequentially with the sell order with the lowest price, and executed at each execution prices;
 - (2) When buy orders have been registered, an incoming sell LO with a price that is lower than the price of the buy orders or an incoming sell MO shall be matched sequentially with the buy order with the highest price, and executed at each execution prices;
 - (3) When sell orders have been registered, an incoming buy MTLO shall be matched with the sell order with the lowest price and is executed at a price of that sell order; and
 - (4) When buy orders have been registered, an incoming sell MTLO shall be matched with the buy order with the highest price and is executed at a price of that buy order.

Article 12 (Precedence of Order Execution Pertaining to SCO)

1. In cases where the difference between the price of a sell LO, registered for the near contract month, and the price of a buy LO, registered for the distant contract month, is equal to the spread price of a sell SCO registered for the Spread Series; if a matching buy SCO is placed, the sell LO registered for the near contract month and the buy LO registered for the distant contract month take precedence over said buy SCO.
2. In cases where the difference between the price of a buy LO, registered for the near contract month, and the price of a sell LO registered for the distant contract month is equal to the spread price of a buy SCO registered for the Spread Series; if a matching sell SCO is placed, the buy LO registered for the near contract month and the sell LO registered for the distant contract month take precedence over said sell SCO.

Article 13 (Allocated Prices)

1. When there is a matching between SCOs, and the corresponding buy and sell orders are executed, the execution prices of the near contract month and the distant contract month, (“allocated prices”) shall be calculated and assigned by the Exchange in accordance with the best bid or ask information of the distant contract month, or the upper limit price or lower limit price of the distant contract month prescribed in Article 15.
2. Notwithstanding the provisions of the preceding paragraph, if the allocated price calculated as prescribed in the preceding paragraph is outside the range between the lower limit price of the near contract month prescribed in Article 15 and the upper limit price of the near contract month prescribed in the same article, a newly placed SCO shall be cancelled, regardless of whether it is designated as FaS prescribed in Article 3.

Article 14. (Exceptions to Executed Orders Included in the Calculation of Settlement Price)

1. “Otherwise prescribed by the System Trading Detailed Rules”, referred to in Article 36.1.1 of the Market Rules, shall mean the execution with allocated price and the quantity as a result of matching between SCOs.

Article 15 (Temporary Halt of Session)

1. Sessions shall be halted, pursuant to Article 9 of the Market Rules, if either of the conditions prescribed in each of the following items is met during a session of each contract month (or each Option Series for Options Transactions). Under such circumstances, notwithstanding the provisions of Articles 19.1 or 19.2 of the Market Rules, no transactions shall be executed and sessions shall be halted as soon as such condition is met for each Listed Commodity Component Product (including the Spread Series of the applicable products) pertaining to Physically Delivered

Futures Transactions, Cash-settled Futures Transactions, and Options Transactions (separately for call and put options) until the time determined by the Exchange (during such halt, the Exchange shall accept orders from Trade Members, etc., pursuant to Article 5). If the closing time for the Day Session or Night Session has arrived during such halt, the session shall be closed at that time:

- (1) Where, under Articles 19.1.1 through 19.1.3 of the Market Rules, the price calculated, pursuant to Articles 19.2 or 19.3 thereof is above or below the upper limit price or the lower limit price that is calculated, respectively, by adding or subtracting the Circuit Breaker ("CB") Trigger Level determined by the Exchange, pursuant to Paragraphs 5 and 6 of this article to or from the settlement price of the previous Clearing Period (meaning a Clearing Period determined by the Clearing House; the same shall apply hereinafter), which is taken as a base price.
 - (2) Under Article 19.1 of the Market Rules, where the price calculated pursuant to Items 1 or 2 of the preceding article is above or below the upper limit price or the lower limit price that is calculated, respectively, by adding or subtracting the CB Trigger Level determined by the Exchange, pursuant to Paragraphs 5 and 6 of this article to or from the settlement price of the previous Clearing Period.
2. For the First Trading Day of a New Contract Month, the phrase "to or from the Settlement Price of the previous Clearing Period", in each item of the preceding paragraph, shall be deemed to be replaced with "to or from the settlement price of the previous Clearing Period of the adjacent contract month."
 3. In applying the provisions of each item of Paragraphs 1 and 2, if it is determined by the Exchange that taking to or from the settlement price of the previous Clearing Period is inappropriate, the Exchange may change the price.
 4. Notwithstanding of the provisions of Paragraph 1, the Exchange shall not halt the session if an order with the FoK designation prescribed in Article 3 falls under any of the conditions prescribed in Paragraph 1.
 5. The Exchange may set up an initial CB Trigger Level and a CB Expansion Amount for each Listed Commodity Component Product, pertaining to Physically Delivered Futures Transactions, Cash-settled Futures Transactions, or Options Transactions, in accordance with the provisions separately prescribed by the Exchange.
 6. Upon the resumption of the session after the temporary halt under Paragraph 1, the new CB Trigger Level shall be the range calculated as the sum of the CB Trigger Level immediately before the temporary halt and the CB Expansion Amount, and said new CB Trigger Level shall be
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effective for the duration of one Clearing Period.

7. Notwithstanding the provisions of Paragraphs 1, 5, and 6, if it is deemed necessary by the Exchange, the Exchange may change the time period for such halt, the initial CB trigger level, and the CB Expansion amount.

Article 16 (Error Correction)

1. "Matters prescribed in the System Trading Detailed Rules" referred to in Article 24 of the Market Rules shall be the customer type indicator and the Open/Close indicator prescribed in Article 5.

Article 17 (Request Pertaining to Transaction Executed by Option Exercise)

1. "Matters prescribed in the System Trading Detailed Rules" referred to in Article 68.2 of the Market Rules shall be the Open/Close indicator prescribed in Article 5.

Article 18 delete

Article 19 delete

Article 20 (Method for Distribution of Price Information)

1. The Exchange shall distribute the status of orders prescribed in Article 22 of the Market Rules ("price information") in accordance with the provisions of each of the following items:
 - (1) Distribution of price information pertaining to orders prescribed in Article 19.1 of the Market Rules shall be handled as follows:
 - A. With respect to price information for sell orders, the lowest price at which LOs are registered shall be the first offer price, and the total quantity of the LOs at such price shall be indicated; and
 - B. With respect to price information for buy orders, the highest price at which LOs are registered shall be the first bid price, and the total quantity of the LOs at such price shall be indicated;
 - (2) Distribution of price information during the period from the start of the order acceptance period until the determination of the execution price prescribed in Articles 19.1.1 and 19.1.2 of the Market Rules, and the period from the start of the temporary halt prescribed in Article 9 of the Market Rules, until the determination of the execution price prescribed in Article 19.1.3 thereof shall be handled as follows:
 - A. With respect to price information, in cases where there are prices calculated under

Articles 19.2 or 19.3 of the Market Rules, such prices shall be the first bid and first offer price, and the quantity calculated under Articles 19.2 or 19.3 thereof shall be indicated; and

- B. In cases where there is no price calculated under Articles 19.2 or 19.3 of the Market Rules, with respect to price information about sell orders, the lowest price at which LOs are registered (or, if MOs are registered, the MOs) shall be the first offer price and the total quantity of the LOs (or the total quantity of the MOs) at such price shall be indicated; and with respect to price information about buy orders, the highest price at which LOs are registered (or, if MOs are registered, the MOs) shall be the first bid price and the total quantity of the LOs (or the total quantity of the MOs) at such price shall be indicated.

Article 21 (Revision or Abolition)

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

Supplementary Provisions

Article 1

These Rules shall be in effect as of May 7, 2009.

Article 2

The System Trading Detailed Rules that were effective before the effective date provided for in the preceding article shall be rescinded.

Article 3

The matters effected based on the System Trading Detailed Rules that were effective before the effective date shall be deemed to have been effected on the effective date based on the corresponding provisions of these Rules.

Supplementary Provisions

The revision to Article 4 (Orders Duration, etc.) and Article 10 (Order Correction and Cancellation) shall be in effect as of October 8th, 2009 when Article 87 of the Market Rule been effective.

Supplementary Provisions

The revision to Article 6 (Combination of Contract Months) shall be in effect as of December 24th, 2009.

Supplementary Provisions

The revision to Article 2, Article 4 (Orders Duration, etc.), Article 5 (Placement of Orders), Article 15 (Temporary Halt of session), and Schedule1 shall be in effect as of March 23rd, 2010.

Supplementary Provisions

The revision to Article 13 (Allocated Price) and Schedule1, and the deletion to Article 18 (Restrictions on Transactions, etc.) and Article 19 (Handling of Orders When Restrictions are Imposed) shall be in effect as of July 1st, 2010.

(System Trading Detailed Rules as of September 1st, 2010)

Schedule 1. Complex chart of Order Types, Order Conditions, etc.

1. From the start of the order acceptance period or the temporary halt, until the determination of the execution price prescribed

Type of Order	Stop Conditions	Order Type(*1)	Order Category			Order Conditions			Type of transaction			
			New	Cancel	Correction	FaS	FaK	FoK	Physical Delivery	Cash-Settlement	Options	
Limit Order (LO)	-	-		(*2)	(*2)			x				
Market Order (MO)	-	-				(*5)		x				
Market To Limit Order (MTLO)	-	-	x	x	x	x	x	x	x	x	x	
Best Limit Order (BLO)	-	-	x	x	x	x	x	x	x	x	x	
Stop Order (SO)	last execution price / best bid or ask	LO										
		MO				x						
		MTLO	x	x	x	x	x	x	x	x	x	
		BLO	x	x	x	x	x	x	x	x	x	
	Best bid or ask	SCO	LO	x	x	x	x	x	x	x	x	x
			MO	x	x	x	x	x	x	x	x	x
			MTLO	x	x	x	x	x	x	x	x	x
			BLO	x	x	x	x	x	x	x	x	x
Standard Combination Order (SCO)	-	LO	x	(*3,4)	x	x	x	x	x	x	x	
	-	MO	x	x	x	x	x	x	x	x	x	
	-	MTLO	x	x	x	x	x	x	x	x	x	
	-	BLO	x	x	x	x	x	x	x	x	x	
Non-Standard Combination Order (NSCO)	-	LO	x	x	x	x	x	x	x	x	x	
	-	MO	x	x	x	x	x	x	x	x	x	
	-	MTLO	x	x	x	x	x	x	x	x	x	
	-	BLO	x	x	x	x	x	x	x	x	x	
	-	SCO	LO	x	x	x	x	x	x	x	x	x
			MO	x	x	x	x	x	x	x	x	x
			MTLO	x	x	x	x	x	x	x	x	x
			BLO	x	x	x	x	x	x	x	x	x

(*1) In case of SO, Order types that will be registered when the stop conditions have satisfied.

(*2) Include the case MTLO or BLO remains on the order book as LO, and SO remains on the order book as LO after the stop conditions have satisfied.

(*3) The remaining orders from previous session could be cancel.

(*4) Include the case MTLO or BLO remains on the SCO order book as LO, and SO remains on the SCO order book as LO after the stop conditions have satisfied.

(*5) FaS of MO could be accepted, however, it will act as FaK of MO.

(System Trading Detailed Rules as of September 1st, 2010)

2. During Individual Auctions

Type of Order	Stop Conditions	Order Type(*1)	Order Category			Order Conditions			Type of transaction			
			New	Cancel	Correction	FaS	FaK	FoK	Physical Delivery	Cash-Settlement	Options	
Limit Order (LO)	-	-		(*2)	(*2)							
Market Order (MO)	-	-		x	x	x						
Market To Limit Order (MTLO)	-	-		x	x							
Best Limit Order (BLO)	-	-		x	x		x	x				
Stop Order (SO)	last execution price or best bid or ask	LO										
		MO				x						
		MTLO										
		BLO					x	x				
	Best bid or ask	SCO	LO		(*3)	(*3)						
			MO		(*3)	(*3)	x					
			MTLO		(*3)	(*3)						
BLO				(*3)	(*3)		x	x				
Standard Combination Order (SCO)	-	LO		(*4)	(*4)						x	
	-	MO		x	x	x					x	
	-	MTLO		x	x						x	
	-	BLO		x	x		x	x			x	
Non-Standard Combination Order (NSCO)	-	LO		x	x	x	x					
	-	MO		x	x	x	x					
	-	MTLO	x	x	x	x	x	x	x	x	x	
	-	BLO	x	x	x	x	x	x	x	x	x	
	-	SCO	LO		x	x	x	x				
			MO		x	x	x	x				
			MTLO	x	x	x	x	x	x	x	x	x
			BLO	x	x	x	x	x	x	x	x	x

(*1) In case of SO, Order types that will be registered when the stop conditions have satisfied.

(*2) Include the case MTLO or BLO remains on the order book as LO, and SO remains on the order book as LO after the stop conditions have satisfied.

(*3) The remaining orders from previous session could be cancel.

(*4) Include the case MTLO or BLO remains on the SCO order book as LO, and SO remains on the SCO order book as LO after the stop conditions have satisfied.

Schedule 2. The precedence of SO registration on the central processing unit

- The precedence prescribed in Article 8 of Trading Systems Detailed Rules is as follows;

Priority	Stop Trigger Condition	Note
1	Best Bid Price Stop Price	If the Best Bid Price exceeded the designated price, SOs will convert from the one with lower designated price.
2	Best Bid Price Stop Price	If the Best Bid Price fallen below the designated price, SOs will convert from the one with higher designated price.
3	Best Offer Price Stop Price	If the Best Offer Price exceeded the designated price, SOs will convert from the one with lower designated price.
4	Best Offer Price Stop Price	If the Best Offer Price fallen below the designated price, SOs will convert from the one with higher designated price.
5	Last Execution Price Stop Price	If the Last Execution Price exceeded the designated price, SOs will convert from the one with lower stop price.
6	Last Execution Price Stop Price	If the Last Execution Price become lower and satisfied the stop condition, SOs will convert from the one with higher stop price.

Among the SOs with same Stop Trigger Condition and designated price, SO that registered earlier has the precedence (time priority rule).