

Agricultural Product & Sugar Market Management Detailed Rules

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Article 1 (Purpose)

1. These Rules shall, pursuant to the provisions of Article 3.1 of the Market Rules, prescribe matters necessary for the management of the Agricultural Product & Sugar Market.

Article 2 (Standard Products)

1. Products prescribed in Agricultural Product & Sugar Market Management Detailed Rules pursuant to the provisions of Article 11.1.6 of the Market Rules shall be the products separately prescribed by the Exchange.

Article 3 (Position Limits of Members)

1. Exchange shall pursuant to the provisions of Article 30.1 of the Market Rules, limits on proprietary positions of Members as follows, applicable separately for short positions and long positions:

(1) Soybean

First Contract Month		Second Contract Month	Other Contract Month (each)
Expiry Month	Month preceding the Expiry Month		
400	800	2,000	4,000

(limits shall be applicable to the relevant contract months from the first business day to the last business day of such month; same shall apply hereinafter)

(2) Azuki

Current Contract Month	Second Contract Month	Third Contract Month	Forth Contract Month	Other Contract Month (each)
50	100	200	600	1,000

(3) Corn

First Contract Month		Second Contract Month	Other Contract Month (each)
Expiry Month	Month preceding the Expiry Month		
600	1,200	3,000	6,000

(4) Raw Sugar

1,200 contracts / each contract month.

2. Position Limits of Members prescribed in previous paragraph shall include the positions consigned to other Broker Members, Remote Members, Intermediaries, or Foreign Commodities Futures Broker.

Article 4 (Position Limits of Customers)

1. Exchange shall Limits on customer positions, pursuant to the provisions of Article 30.2 of the Market Rules, as follows, applicable separately for short positions and long positions. Broker Members and Remote Broker Member shall further categorized its' customers to into "Commercials", "Investment Trusts, etc." (who fulfill the requirement stated by the Exchange; the same shall apply hereinafter), "Associate Members", "Market Makers" (who recognized by the Exchange; the same shall apply hereinafter), and "Others";

(1) Soybean

	First Contract Month		Second Contract Month	Third Contract Month	Other Contract Month (each)
	Expiry Month	Month before the Expiry Month			
Commercials, Investment Trusts, etc. Associate Members or Market Makers	400	800	2,000	4,000	8,000

Others	400	800	2,000	4,000	4,000
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(2) Azuki (Red beans)

	Current Month	Second Contract Month	Third Contract Month	Forth Contract Month	Other Contract Month (each)
Commercials, Investment Trusts, etc., Associate Members or Market Makers	50	100	200	600	1,000
Others	20	50	150	300	500

(3) Corn

	First Contract Month		Second Contract Month	Third Contract Month	Other Contract Month (each)
	Expiry Month	Month before the Expiry Month			
Commercials, Investment Trusts, etc., Associate Members or Market Makers	600	1,200	3,000	6,000	12,000
Others	600	1,200	3,000	6,000	6,000

(4) Raw Sugar

	First Contract Month		Second Contract Month	Third Contract Month	Other Contract Month (each)
	Expiry Month	Month before the Expiry Month			
Investment Trusts, etc. Associate Members or Market Makers	50	100	300	1,000	1,500
Commercials	1,200	1,200	1,200	1,200	1,200
Others	50	100	300	500	700

2. Position Limits of customers prescribed in previous paragraph shall apply to the total of the positions consigned to Broker Members, Remote Members, Intermediaries, or Foreign Commodities Futures Broker
3. When calculating the positions of customers, positions set forth below shall be deemed to be established by a same person and treated as the positions held by one customer:
 - (1) Positions judged to be established by the same customer using separate accounts, pseudonyms, etc.;
 - (2) Positions established by a person directly or indirectly controlled by the customer; and
 - (3) Positions established by two or more persons under an explicit or implicit agreement among those persons.

Article 5 (Measures to be Taken When the Member Position Exceeds the Limits)

1. In cases where a Member's positions have exceeded the position limits prescribed in Article 3, as a result of carryover of existing contract months, such Member may not trade for a new position in any contract month, until their remaining positions are within the position limit applicable to said contract month, unless deemed it necessary by the Exchange.
2. Notwithstanding the provision of Article 3, if the Exchange deems particularly necessary in consideration of prevailing market conditions, a Member may trade for a new position in current contract month (expiry month in case of Soybean, Corn, and Raw Sugar market).

3. When the limits on proprietary positions, prescribed in Article 3, of a Member (Members prescribed in Article 6.1 of the Market Rules; the same shall apply in Article 8, Article 10 and Article 11) have been exceeded as a result of transactions executed in the course of a default procedure, pursuant to the provisions of Article 73.2 and Article 73.3 of the Market Rules, such Member shall promptly reduce any excessive positions until their positions are within the said limits.

Article 6 (Measures to be Taken When the Customer Position Exceeds the Limits)

1. When the Exchange deems the limits on customer position, prescribed in Article 4, have been exceeded, the Exchange shall notify the Broker Members or the Remote Broker Members thereof. In such case, the Broker Members or the Remote Broker members shall require said Customer to reduce its positions promptly, until any remaining positions are within such limits.
2. In cases where a customer position has exceeded the position limit prescribed in Article 4 as a result of carryover of existing contract months, Broker Member or Remote Broker Member shall offset the excess positions by the end of the Day Session on the 3rd business day from the carryover of existing contract month. Such customer may not trade for a new position in any contract month, until their remaining positions are within the position limit.
3. Notwithstanding the provisions of Article 4 and Paragraph 2 of this Article, if the Exchange deems specifically necessary in consideration of prevailing market conditions, Commercials may trade for a new position in current contract month (expiry month in case of Soybean, Corn, and Raw Sugar market).

Article 7 (Special Measures for Position Limits)

1. The Exchange shall take special measures to permit to apply the position limit prescribed in Article 3 for each Members and Article 4 for each customers who consigned intermediation of consignment of transaction to an Intermediary or a Foreign Commodity Futures Broker ("Intermediary, etc.") if a Pledge is submitted by Intermediary, etc. through Broker Member or Remote Broker Member and is approved by the Exchange as appropriate ("Special Measures").
2. Intermediary, etc. that was granted Special Measures shall submit the position report prescribed in Article 11.
3. In cases set forth below, the Exchange may terminate such special measures. In such case, said Intermediary, etc. shall reduce its position within the limits specified by the Exchange:
 - (1) Intermediary, etc. fails to submit the position report;
 - (2) Intermediary, etc. fails to comply with the Rules Governing Special Measures for Position Limits;
 - (3) Intermediary, etc. fails to comply with the pledge; and
 - (4) deemed necessary by the Exchange based on prevailing market conditions.
4. Intermediary, etc. may not raise an objection to the administrative measures prescribed in previous paragraph enforced by the Exchange.
5. In addition to the provisions of these Detailed Rules, matters necessary for the special measures shall be prescribed by the Rules Governing Special Measures for Position Limits.

Article 8 (Hedge Positions)

1. The Member may maintain position for exceeding the position limit prescribed in Article 2 for proprietary or other Members and Article 3 for customers, etc. (meaning customer of Members, etc. or a customer of Intermediary, etc. who granted special measures; the same shall apply hereinafter), within the limits separately determined by the Exchange if an application prescribed separately by the Exchange is submitted by the Member and is approved by the Exchange as hedge positions (meaning the position established in the futures market for the purpose of offsetting or reduce the price fluctuation risk arising from

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- transactions in spot market, etc. as prescribed in the Agricultural Product & Sugar Market Hedge Positions Handling Procedure).
2. The Member or the customer, etc. who has Hedge Positions prescribed in previous paragraph and has completed the spot transaction that applied for the hedge, such Member or customer, etc. shall off-set the hedge positions promptly.
 3. In cases set forth below, the Exchange may enforce limitation of approval prescribed in Paragraph 1, in whole or in part. In such case, the Member or the customer, etc. shall reduce any excessive positions promptly until the remaining positions are within the limits approved by the Exchange:
 - (1) the Member or the customer, etc. fails to comply with the Agricultural Product & Sugar Market Hedge Positions Handling Procedure; and
 - (2) deemed necessary by the Exchange based on prevailing market conditions.
 4. The Member or the customer, etc. may not raise an objection to such administrative measures enforced by the Exchange.
 5. In addition to the provisions of these Detailed Rules, matters necessary for the hedge positions shall be prescribed by the Agricultural Product & Sugar Market Hedge Positions Handling Procedure.

Article 9 (Limitation on Delivery)

1. The same Member or the same customer may not simultaneously deliver and receive actual commodities in delivery of Soybean, Azuki or Corn.
2. If multiple commodities funds (meaning the trade prescribed in Article 5.2 of the Brokerage Rules; same shall apply hereinafter) are performing delivery for a single commodities investment advisory business operator, the deliverable quantity in total will be limited to the number of lots for the current contract month (Expiry Month for Soybean, Corn and Raw Sugar) of the Investment Trusts, etc. prescribed in Article 3 unless if the Exchange deems necessary.
3. Broker Member or Remote Broker Member shall promptly report to the Exchange the delivery quantity of each customer who will take part of the delivery after the end of trading at last trading day (or when applied in case of early delivery).
4. If an Intermediary, etc. performs delivery, a Broker Member or a Remote Broker Member shall promptly report to the Exchange the delivery quantity of each Intermediary, etc. who will take part of the delivery after the end of trading at last trading day (or when applied in case of early delivery).

Article 10 (Delivery Clearing Margins)

1. With respect to Delivery of Soybean, Corn, and Raw Sugar, the Member (or Designated Clearing Member of the Member in cases where such Member is a non-clearing participants) shall deposit ten hundredth (10/100) of the amount that is calculated by multiplying Delivery Price and the delivery units as a Delivery Clearing Margin by noon on the business day immediately following the Last Trading Day of the current contract month (or, in the case of Early Delivery and Declared Delivery of Market Rules, the day the terms of such Early Delivery or Declared Delivery determined) to the Clearing House.
 2. The Delivery Clearing Margin prescribed in preceding paragraph is no longer required to deposit on or after the following day.
 - (1) For Soybean, on later day that when the due date of submitting the Requests for Inspections prescribed in Article 9 of the Agricultural & Sugar Market Delivery Detailed Rules has been passed or when the adjustment of delivery settlement amount as a result of Inspection has been completed.
 - (2) For Corn, on the day that adjustment of Delivery quantity prescribed in Article 36 of the Agricultural Product & Sugar Delivery Detailed Rules has been completed.
 - (3) For Raw Sugar, on the day that adjustment of Delivery quantity and Polarization difference prescribed in Article 50 of the Agricultural Product & Sugar Delivery Detailed Rules has been completed.
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- (4) For the delivery in ADP, when the Exchange approve the application.
3. Notwithstanding the provision of previous two paragraphs, the Exchange may change the deposit cutoff time of both or either of seller or a buyer when deemed necessary in consideration of prevailing stocks and market conditions, or pursuant to an order of Minister of regulatory authorities under Article 118 of the Commodity Derivatives Act (Act No. 239, 1950).

Article 11 (Reporting of Positions)

1. If the positions at the close of the Day Session fall under any of the conditions set forth below, applicable separately for short positions and long positions, Members or Intermediary, etc., who has applied the special measure shall report such positions for all contract months to the Exchange, using the form separately prescribed by the Exchange, by the following business day (two business day following for the Remote Trade Members, Remote Broker Members and the Foreign Commodity Futures Broker who applied special measure by the Exchange) .
 - (1) Total proprietary positions exceed 1,800 contracts.
 - (2) Total proprietary positions in one contract month exceed 50 contracts in the case of Soybean, Corn and Raw Sugar and 20 contracts in the case of Azuki.
 - (3) Total customer, etc. positions (total of the positions in separate accounts established by the same person) in one contract month exceed 50 contracts in the case of Soybean, Corn and Raw Sugar and 20 contracts in the case of Azuki.
 - (4) When the Exchange indicates different conditions.
2. The trading volume of 1 Clearing Period and the positions at the close of Clearing Period shall be reported by the Members in the form provided by the Exchange.
3. The trading volume from Night Session at last business day of two (2) previous month to Day Session at last business day of previous month and the position at the close of said Day Session shall be reported every month by the Members who have non- resident customers in the form provided by the Exchange.
4. When the Exchange deems it necessary, the Exchange shall require the Members to report on any positions (including concurrent positions) scheduled for delivery.
5. When the Exchange deems it particularly necessary, the Exchange may give a separate instruction to require Members, and Intermediary, etc., to report on the positions of each customer or customer of an Intermediary etc., and other matters deemed necessary by the Exchange.

Article 12 (Emergency Measures)

1. When the Exchange deems it necessary to take emergency measures other than those prescribed in these Rules, the Exchange shall determine such other measures on a case-by-case basis.

Article 13 (Revision or Abolition)

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

Supplementary Provisions

Article 1

These Detailed Rules shall be in effect as of March 31, 2014.

Article 2

The previous version of the Agricultural Product & Sugar Market Management Detailed Rules shall be abolished in the effective date of these Detailed Rules.

Article 3

Measures taken based on previous version of the Agricultural Product & Sugar Market Management Detailed Rules shall be deemed as the measures taken based on these Detailed Rules.

Article 4

The rules in the previous version of the Agricultural Product & Sugar Market Management Detailed Rules shall be applicable to the limits on the proprietary positions of a Broker Member (the greater of 10% of the total positions or the numbers prescribed in the rules) for Soybeans on and before February 2015 contract month, for Azuki on and before September 2014 contract month, for Corn on and before March 2015 contract month, and Raw sugar on and before May 2015 contract month.

Supplementary Provisions

Revisions to the provisions of Article 3 (Position Limits of Members) and Article 4 (Position Limits of Customers) shall become effective on January 8, 2015 and shall be applied to the Contract Months on and after April 2016.

Supplementary Provisions

Article 1

Revisions to Article 12 (Reporting of Positions) shall be in effect as of September 20, 2016.

Article 2

Notwithstanding the provisions of Article 1, 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 preceding Article will be separately provided by the Exchange.

Supplementary Provisions

Revisions to the provisions of Article 3 (Position Limits of Members), Article 4 (Position Limits of Customers), Article 6 (Measures to be Taken When the Position of Trade Members, etc. Exceeds the limits), Article 7 (Measures to be Taken When the Customer Position Exceeds the Limits), Article 8 (Special Measures for Position Limits), Article 9 (Hedge Positions), Article 10 (Limitation on Delivery), Article 11 (Delivery Clearing Margins), Article 12 (Reporting of Positions), Article 13 (Emergency Measures) and Article 14 (Revision or Abolition) and the delete of Article 5 (Special Provisions for Azuki) shall become effective on October 31, 2016.

Supplementary Provisions

Revisions to the provisions of Article 10 (Delivery Clearing Margins) shall be in effect as of March 3, 2017.

Supplementary Provisions

Revisions to the provisions of Article 4 (Position Limits of Customers) shall be in effect as of July 26, 2017.