

## Brokerage Rules

**DISCLAIMER:**

This English translation is being provided for informational purposes only and represents a desire by the Exchange to promote better understanding of the Exchange by non-resident participants. While care has been taken to ensure that the translation is accurate and complete, Tokyo Commodity Exchange, Inc. accepts no liability or responsibility for any loss or damages, including trading losses, that may be incurred from any inaccuracy or omission in the English translation. In the event of discrepancies between the English version and the original Japanese version, the Japanese version shall prevail. Any dispute that may arise within or without a court of law with regard to the meaning of the words, provisions and stipulations of the rules, regulations and agreements shall be resolved in accordance with the Japanese texts.

## **Chapter 1 General Provisions**

### **Article 1 (Conformity and Compliance with Brokerage Rules)**

1. Agreements on the acceptance of consignment of transactions (“brokerage”) in the commodity markets of the Tokyo Commodity Exchange, Inc. (“Exchange”), and the acceptance of intermediation of consignment of transactions in the commodity markets shall be in accordance with the provisions of the Brokerage Rules (“Rules”) of the Exchange. Hereinafter, “transactions in the commodity markets” shall mean the transactions in the commodity markets prescribed in Article 2.10 of the Commodity Derivatives Act (Act No. 239 of 1950; “Act”); the same shall apply hereinafter.
2. Customers, members of the Exchange who accept consignment of transactions in the commodity markets pursuant to Article 190.1 of the Act under the license granted by the Regulating Minister (hereinafter such members shall be referred to as “Broker Members”), or those who accept intermediation of consignment of transactions in the commodity markets pursuant to Article 190.1 of the Act under the license granted by the Regulating Minister (“Intermediaries”), shall comply with these Rules and handle consignment of transactions in the commodity markets in accordance therewith. In addition, the said Intermediaries and those who consigned intermediation of consignment of transactions in the commodity markets to the said Intermediaries (“Customer of Intermediary”), shall comply with these Rules in the same manner as these Rules apply to the relationship between the Broker Member and its customer and handle intermediation of consignment of transactions in the commodity markets in accordance therewith.
3. Clearing of outstanding obligations arising from transactions in the commodity markets of the Exchange shall be processed between a Commodity Clearing Organization licensed by the Regulating Minister, pursuant to Article 167 of the Act, to engage in the Business of Assuming Commodity Transaction Obligations and a Clearing Participant qualified, pursuant to Article 174.1 of the Act, to be the counterparty in the Business of Assuming Commodity Transaction Obligations undertaken by the said Commodity Clearing Organization. With respect to the clearing of outstanding obligations arising from transactions in the commodity markets of the Exchange undertaken by a Broker Member who is a Non-clearing Participant, the said clearing transaction shall be executed and processed between the said Commodity Clearing Organization and a Clearing Participant designated as the agent by the said Broker Member.

### **Article 2 (Definitions)**

1. In these Rules, the meaning of the terms set forth in each of the following items shall be as prescribed in each of the respective items:
  - (1) “Execution Price etc.” means the execution price as per the price quotation unit at which the transaction is executed in cases of transactions set forth in Items 1 and 2 of Article 2.3 of the Act (“Physically Delivered Futures Transactions etc.”) and Item 4 of Article 2.3 thereof (“Options Transactions”), or the execution numerical value in cases of transactions set forth in Item 3 of Article 2.3 thereof (“Index Futures Transactions”).
  - (2) “Contract Unit Multiplier” means the numerical value obtained by dividing the quantity per contract unit by the price quotation, in cases of Physically Delivered Futures Transactions etc. or Options Transactions, and the numerical value obtained by dividing the quantity per contract unit by the execution index numerical value, in cases of Index Futures Transactions.
  - (3) “Total Trading Value” means the amount obtained by multiplying the Execution Price etc., by the Contract Unit Multiplier and the execution quantity.
  - (4) “Mark-to-Market Profit or Loss Amount” means the net amount of profits and losses that are calculated by multiplying the difference between the Execution Price etc. of an individual unsettled transaction (except Options Transactions) and its last execution price etc. (meaning the settlement price or settlement numerical value prescribed by the

- Market Rules; the same shall apply hereinafter), on the calculation day by the Contract Unit Multiplier and the execution quantity, and then aggregating such amounts into a single total, less an amount of any payout or reclassification made pursuant to the provisions of Article 11-3.
- (5) "Profit or Loss resulting from Liquidation" means the amount of profit or loss arising from the settlement of an individual transaction by resale or repurchase, the portion that has not been settled between a customer and a Broker Member.
  - (6) "Outstanding Amount payable/receivable for Options Contract" means the aggregated amount of the Options Transaction Payment (meaning the Options Transaction Payment prescribed in Article 51.1.5; the same shall apply hereinafter) for which a sell or buy has been executed based on consignment and the Exercise Price Differential (meaning the Exercise Price Differential prescribed in Article 51.1.6; the same shall apply hereinafter) based on consignment, the portion that has not been settled between a Broker Member and a customer.
  - (7) "Deposited Margin" means the sum of the cash, Substitute Securities etc. prescribed in Article 9.1, and Substitute Foreign Currencies prescribed in Article 10, that are placed or deposited by a customer with a Broker Member as the Clearing Margin for transactions in the commodity markets.
  - (8) "Total Margin Amount Received" means the amount obtained by adding/deducting the "Cash Amount to be received or paid by a Customer" to/from "Deposited Margin".
  - (9) "Cash Amount to be received or paid by a Customer" means the amount obtained by deducting brokerage commissions payable to a Broker Member by a customer (including any consumption taxes (including the local consumption tax; the same shall apply hereinafter); provided, however, that any amount less than one (1) yen shall be rounded off; "Brokerage Commission") and any other amounts determined by the Broker Member necessary to be borne by the customer from the total amount of "Mark-to-Market Profit or Loss Amount," "Profit or Loss resulting from Liquidation", and "Outstanding Amount payable/receivable for Options Contract".
  - (10) "Cash Amount to be paid by a Customer" means the "Cash Amount to be received or paid by a Customer" when it is a negative amount.
  - (11) "Clearing Margin Maintenance Amount" means customer's Clearing Margin Maintenance Amount prescribed by the Clearing House (meaning the Japan Commodity Clearing House licensed under Article 167 of the Act; the same shall apply hereinafter) in its Clearing Margins Rules.
  - (12) "Broker-set Margin for Customer" means the amount not less than "Clearing Margin Maintenance Amount" as determined by a Broker Member.
  - (13) "Total Deficiency Amount" means the difference between the "Total Margin Amount Received" and "Broker-set Margin for Customer" when the former falls short of the latter.
  - (14) "Cash Deficiency Amount" means the difference between the amount of the cash portion of "Deposited Margin" and the "Cash Amount to be paid by a Customer" when the former falls short of the latter.
  - (15) "Excess Amount of Deposited Margin" means the amount calculated by deducting the sum of "Broker-set Margin for Customer" and "Mark-to-Market Profit or Loss Amount" (limited to the case where it is a profit) from the "Total Margin Amount Received" provided that such calculated amount is positive.
  - (16) "Clearing Margin" means any of the following:
    - A. Cash, securities and warehouse receipts prescribed in Article 9.1, and Substitute Foreign Currencies prescribed in Article 10 (hereinafter from this item through item 19 referred to as "Cash and Equivalents") that are deposited by a customer with the Commodity Clearing Organization for management with respect to transactions in the commodity markets through a Broker Member (limited to those who are Clearing Participants; the same shall apply to Sub-item B) who is acting as an agent of the customer;
    - B. Cash and Equivalents, deposited by a Customer of Intermediary with the Commodity Clearing Organization, for management with respect to transactions in the commodity markets through the Intermediary and a Broker Member who are acting
-

- as agents of the Customer of Intermediary;
- C. Cash and Equivalents, deposited by the Customer of Non-clearing Participant with the Commodity Clearing Organization, for management with respect to transactions in the commodity markets, through a Broker Member who is a Non-clearing Participant (“Non-clearing Participant Broker Member”) and the Designated Clearing Participant of said Non-clearing Participant Broker Member (“Designated Clearing Participant”) who are acting as agents of the Customer of Non-clearing Participant; or
  - D. Cash and Equivalents, deposited by a Customer of Clearing Intermediary with the Commodity Clearing Organization, for management with respect to transactions in the commodity markets through the Clearing Intermediary, Non-clearing Participant Broker Member, and Designated Clearing Participant, who are acting as agents of the Customer of Clearing Intermediary.
- (17) “Customer Margin” means any of the following:
- A. Cash and Equivalents deposited by a customer with a Broker Member (limited to those who are Clearing Participants; the same shall apply to Sub-item B and C) that is,
    - upon the customer’s consent, in turn deposited as the Clearing Margin by the Broker Member with the Commodity Clearing Organization, for management with respect to transactions in the commodity markets,
    - provided that the amount of the Cash and Equivalents deposited by the Broker Member is not less than the amount deposited by the customer;
  - B. Cash and Equivalents deposited by a Customer of Intermediary with a Broker Member through the Intermediary, who is acting as an agent of the customer that is,
    - upon the consent of the Customer of Intermediary, in turn deposited as the Clearing Margin by the Broker Member with the Commodity Clearing Organization for its management with respect to transactions in the commodity markets,
    - provided that the amount of the Cash and Equivalents deposited by the Broker Member is not less than the amount deposited by the Customer of Intermediary;
  - C. Cash and Equivalents deposited by an Intermediary with a Broker Member that is,
    - upon the consent of the Customer of Intermediary, in turn deposited as the Clearing Margin by the Broker Member with the Commodity Clearing Organization for its management with respect to transactions in the commodity markets,
    - provided that the amount of the Cash and Equivalents deposited by the Broker Member is not less than the amount deposited by the Intermediary, that is in turn, not less than the amount deposited by the Customer of Intermediary with the Intermediary as Intermediation Margin;
  - D. Cash and Equivalents deposited by a Customer of Non-clearing Participant with a Non-clearing Participant Broker Member that is,
    - upon the consent of the Customer of Non-clearing Participant, in turn deposited as the Clearing Margin by the Non-clearing Participant Broker Member through a Designated Clearing Participant, who is acting as an agent of the Non-clearing Participant Broker Member, with the Commodity Clearing Organization for its management with respect to transactions in the commodity markets,
    - provided that the amount of the Cash and Equivalents deposited by the Non-clearing Participant Broker Member is not less than the amount deposited by the Customer of Non-clearing Participant;
  - E. Cash and Equivalents deposited by a Customer of Clearing Intermediary with a Non-clearing Participant Broker Member through a Clearing Intermediary who is acting as an agent of the Customer of Clearing Intermediary that is,
    - upon the consent of the Customer of Clearing Intermediary, in turn deposited as the Clearing Margin by the Non-clearing Participant Broker Member through a Designated Clearing Participant who is acting as an agent of the Non-clearing Participant Broker Member with the Commodity Clearing Organization for its management with respect to transactions in the commodity markets,
    - provided that the amount of the Cash and Equivalents deposited by the Non-clearing Participant Broker Member is not less than the amount deposited by

- the Customer of Clearing Intermediary; or
- F. Cash and Equivalents deposited by a Clearing Intermediary with a Non-clearing Participant Broker Member that is,
- upon the consent of the Customer of Clearing Intermediary, in turn deposited as the Clearing Margin by the Non-clearing Participant Broker Member through a Designated Clearing Participant, who is acting as an agent of the Non-clearing Participant Broker Member with the Commodity Clearing Organization for its management with respect to transactions in the commodity markets,
  - provided that the amount of Cash and Equivalents deposited by the Non-clearing Participant Broker Member is not less than the amount deposited by the Clearing Intermediary, that is in turn not less than the amount deposited by the Customer of Clearing Intermediary with the Clearing Intermediary as Intermediation Margin.
- (18) "Intermediation Margin" means any of the following:
- A. Cash and Equivalents deposited by a Customer of Intermediary with the Intermediary that is,
- upon the consent of the Customer of Intermediary, in turn deposited as the Clearing Margin by the Intermediary through a Broker Member (limited to those who are Clearing Participants; the same shall apply hereinafter in this item) who is acting as an agent of the Intermediary with the Commodity Clearing Organization, for its management with respect to transactions in the commodity markets,
  - provided that the amount of the Cash and Equivalents deposited by the Intermediary is not less than the amount deposited by the Customer of Intermediary; or
- B. Cash and Equivalents deposited by a Customer of Intermediary with the Intermediary that is, upon the consent of the Customer of Intermediary, in turn deposited as the Customer Margin by the Intermediary with a Broker Member that is,
- upon the Intermediary's consent, in turn deposited as the Clearing Margin by the Broker Member with the Commodity Clearing Organization for its management with respect to transactions in the commodity markets,
  - provided that the amount of the Cash and Equivalents deposited by the Broker Member is not less than the amount deposited by the Intermediary that is in turn not less than the amount deposited by the Customer of Intermediary.
- (19) "Clearing Intermediation Margin" means any of the following:
- A. Cash and Equivalents deposited by a Customer of Clearing Intermediary with the Clearing Intermediary that is,
- upon the consent of the Customer of Clearing Intermediary, in turn deposited as the Clearing Margin by the Clearing Intermediary through a Non-clearing Participant Broker Member and a Designated Clearing Participant who are acting as agents of the Clearing Intermediary with the Commodity Clearing Organization, for its management with respect to transactions in the commodity markets,
  - provided that the amount of the Cash and Equivalents deposited by the Clearing Intermediary is not less than the amount deposited by the Customer of Clearing Intermediary; or
- B. Cash and Equivalents deposited by a Customer of Clearing Intermediary with the Clearing Intermediary that is,
- upon the consent of the Customer of Clearing Intermediary, in turn deposited as the Customer Margin by the Clearing Intermediary with a Non-clearing Participant Broker Member that is, upon the Clearing Intermediary's consent, in turn deposited as the Clearing Margin by the Non-clearing Participant Broker Member through a Designated Clearing Participant who is acting as an agent of the Non-clearing Participant Broker Member, with the Commodity Clearing Organization for its management, with respect to transactions in the commodity markets,
  - provided that the amount of the Cash and Equivalents deposited by the Non-clearing Participant Broker Member is not less than the amount deposited by the Clearing Intermediary, that is in turn not less than the amount deposited by the Customer of Clearing Intermediary.
- (20) "Tentative Brokerage Commission" means the total amount of Brokerage Commission

- that is calculated with respect to a transaction consigned to a Broker Member as of the day on which the transaction is executed (meaning a day separately specified for each Clearing Period determined by the Clearing House) as if all outstanding positions were settled on that day.
- (21) “Tentative Mark-to-Market Net Profit or Loss” means the amount calculated by subtracting the Tentative Brokerage Commission from the Mark-to-Market Profit or Loss Amount.
  - (22) “Commodity Clearing Organization” means a person licensed by the Regulating Minister to engage in the Business of Assuming Commodity Transaction Obligations pursuant to the provisions of Article 167 of the Act.
  - (23) “Clearing Intermediary” means a person who has accepted intermediation of consignment for intermediation of consignment with regard to a commodity clearing transaction.
  - (24) “Customer of Non-clearing Participant” means a person who consigned intermediation of consignment with regard to a commodity clearing transaction (excluding Clearing Intermediaries).
  - (25) “Customer of Clearing Intermediary” means a person who consigned intermediation of consignment for intermediation of consignment of a commodity clearing transaction.
  - (26) “Clearing Participant” means a person qualified to be the counterparty for the Business of Assuming Commodity Transaction Obligations undertaken by a Commodity Clearing Organization in accordance with the provisions of the Business Rules of the Commodity Clearing Organization pursuant to Article 174.1 of the Act.
  - (27) “Non-clearing Participant” means a person not qualified to be the counterparty for the Business of Assuming Commodity Transaction Obligations undertaken by a Commodity Clearing Organization under the Business Rules of the Commodity Clearing Organization.
  - (28) “Designated Clearing Participant” means a person designated by a Non-clearing Participant, among General Clearing Participants who have a clearing qualification for the commodity markets in which the Non-clearing Participant executes transactions, as a person to whom the Non-clearing Participant always consigns commodity clearing transactions under a clearing agreement to be concluded with that person.

### **Article 3 (Delivery of Documents before Conclusion of Commodity Transaction Agreement)**

1. A Broker Member accepting consignment of transactions from a new customer shall deliver to the customer the relevant documents prescribed in Article 217.1 of the Act (“Pre-agreement Documents”) and a copy of these Rules prior to the conclusion of a Brokerage Agreement with the customer; provided, however, that this shall not apply in the case of exclusion from application prescribed in Article 220-4 of the Act.
2. In delivering the Pre-agreement Documents, pursuant to the provisions of the preceding paragraph, a Broker Member shall explain the matters included in the said Pre-agreement Documents to the customer (except in the cases where such explanation is exempted under the provisions of Article 218.3 of the Act or Article 108 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; “Ministry Ordinance”)).
3. In cases where a Broker Member imposes restrictions on hours for accepting consignment of transactions, or other matters related to the acceptance of such consignment, the Broker Member shall deliver a document containing the details of the restriction to its customers.
4. In accepting consignment of transactions from a customer in the form of electronic transaction (meaning transactions in which the Broker Member accepts consignment of transactions upon the instruction of the customer, using an electronic information processing system consisting of a computer used by the Broker Member that is connected with an input-output unit used by the customer through telecommunication lines; the same shall apply hereinafter), the Broker Member shall deliver to the customer, in advance, documents stating matters concerning the transactions including the use of the electronic transactions and

- indemnities, and the customer shall conduct transactions in accordance with these documents.
5. A Broker Member may, in lieu of the delivery of the documents and a copy of these Rules prescribed in Paragraph 1 and Paragraph 2, provide the matters that are required to be contained in the said documents and these Rules to a customer through an electromagnetic device (meaning a method using an electronic information processing system or a method using other information communications technology that is prescribed in Article 90-3 of the Ministry Ordinance; the same shall apply hereinafter in this article), provided that the Broker Member has obtained the consent of the customer, in writing or through an electromagnetic device, by presenting to the customer the types and details (meaning the types and details prescribed in each item of Article 90-4 of the Ministry Ordinance) of the electromagnetic device used. In this case, the Broker Member shall be deemed to have delivered the said documents and a copy of these Rules to the customer.
  6. In the event that a customer issues a notification in writing or through an electromagnetic device that the customer will not accept the said documents and these Rules through the electromagnetic device, the Broker Member who had previously obtained the consent of the customer pursuant to the provisions of the preceding paragraph shall not provide the matters that are required to be contained in the said documents and these Rules to the customer through the electromagnetic device. However, this rule shall not apply if the customer grants his or her consent again pursuant to the provisions of the preceding paragraph at a later date.

#### **Article 4 (Conclusion of Commodity Transaction Agreement)**

1. When newly consigning transactions to a Broker Member, a customer shall submit to the Broker Member a document stating that the customer is fully aware of the risks associated with Futures Transactions and agrees to conduct transactions in accordance with these Rules.
2. A Broker Member may not accept consignment of transactions from a new customer, unless the Broker Member has received the document prescribed in the preceding paragraph from the customer.
3. A customer may complete the submission of the document prescribed in Paragraph 1 by viewing and recording matters, to be acknowledged and consented to by the customer on a file maintained, in a computer used by the Broker Member through telecommunication lines.

### **Chapter 2 Brokerage of Transactions**

#### **Article 5 (Advance Notice by Customers and Others)**

1. When newly consigning transactions to a Broker Member, a customer shall notify, in advance, the Broker Member of the following matters in writing:
  - (1) Name or Trade Name (including corporate name; the same shall apply hereinafter);
  - (2) Home or office address;
  - (3) Contact address, if separately designated;
  - (4) In cases where a customer enters into a commodity investment advisory agreement or similar contract prescribed in Article 2.2 of the Act on Regulation of Business Pertaining to Commodity Investment (Act No. 66 of 1991; "Commodity Fund Act") with a commodities investment advisor or similar foreign person prescribed in Article 2.4 of the Commodity Fund Act, documents certifying, among others, the name or Trade Name, home or office address, scope of the proxy authorization of such person, and the existence of the appropriate license for such person to engage in such business;
  - (5) In cases where a customer, who is a non-resident (meaning those prescribed in Article 6.1.6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949); the same shall apply hereinafter) (excluding those set forth in Paragraph 3) has requested a person who has been granted a license in a foreign country (including registration or other administrative actions similar to such license), for accepting the consignment of

- the transaction in commodity markets of the foreign country under the provisions of foreign laws and regulations of the foreign country, which is equivalent to the license prescribed in Article 190.1 of the Act in a foreign country, or a foreign person who is equivalent thereto (hereinafter collectively referred to as “Foreign Commodity Futures Broker”) to accept consignment of intermediary of consignment of transactions, documents certifying, among others, the name or Trade Name, home or office address of such person, and documents certifying the existence of the relevant licenses for such person to engage in such business; and
- (6) In cases where a customer appoints an agent other than those set forth in Item 4, the name or Trade Name, home or office address, and scope of the proxy authorization of such agent.
2. A financial instruments firm prescribed in Article 2.9 of the Financial Instruments and Exchange Act (Act No. 25 of 1948) or a similar person (hereinafter collectively referred to as “Financial Instruments Firm etc.”) newly consigning the following transactions to a Broker Member to be managed as commodity investment prescribed in Article 2.1 of the Commodity Fund Act (“Commodity Investment”) shall submit to the Broker Member, in advance, documents certifying, among others, the existence of the relevant registration and a document notifying the name and home or office address of the fund pertaining to said consignment:
    - (1) Transactions related to funds managed or administered by a Financial Instruments Firm etc. under a Commodity Investment Agreement prescribed in Article 2.5 of the Commodity Fund Act; and
    - (2) Transactions related to funds managed or administered by Financial Instruments Firm etc. under a trust agreement concluded for the purpose of managing the whole or part of the trust property in the form of Commodity Investment or a similar contract.
  3. When a Foreign Commodity Futures Broker, who has received a request to intermediate consignment of transactions from a non-resident customer, newly conducts consignment of transactions under its own name, based on such request, the Foreign Commodity Futures Broker shall submit to a Broker Member in advance a document notifying the name or Trade Name and home or office address of the Foreign Commodity Futures Broker and documents certifying, among others, the existence of the relevant license for the Foreign Commodity Futures Broker to engage in such activities.
  4. When an Intermediary newly conducts consignment of transactions under its own name, the Intermediary shall submit to the Broker Member, in advance, a document certifying the existence of the relevant license for the Intermediary to engage in the Commodity Futures Transaction Business pursuant to Article 190.1 of the Act.
  5. Any changes in the matters to be notified under each of the preceding paragraphs shall be notified to the Broker Member, in writing, without delay.
  6. A Broker Member may, in lieu of accepting documents pursuant to the provisions of each of the preceding paragraphs, obtain the consent of a customer in writing or through an electromagnetic device (meaning a method using an electronic information processing system or a method using other information communications technology that is prescribed in Article 41.3 of the Ministry Ordinance; the same shall apply hereinafter in this article) by presenting to the customer the types and details (meaning types and details prescribed in each item of Article 41.6 of the Ministry Ordinance) of the electromagnetic device used. In this case, the Broker Member shall be deemed to have received such notification in writing from the customer.
  7. In the event that a customer issues a notification, in writing or through an electromagnetic device, that the customer will not submit said documents through the electromagnetic device, the Broker Member who had previously obtained the consent of the customer pursuant to the provisions of the preceding paragraph, shall not accept the said documents from the customer through the electromagnetic device. However, this rule shall not apply if the customer grants his or her consent again pursuant to the provisions of the preceding paragraph at a later date.

## **Article 6 (Instructions for Consignment of Transactions)**

---

1. With every order for a consignment of transactions, a customer shall provide the following instructions to a Broker Member:
  - (1) Type of transaction;
  - (2) Type of the listed commodity component product or the listed commodity index;
  - (3) Contract month;
  - (4) Buy or sell;
  - (5) New or offsetting;
  - (6) Quantity;
  - (7) Type of order (which may include order validity and/or order type depending on the type of order);
  - (8) Date and time at which the transaction is to be executed (which may include the effective period of the order depending on the type of order and order validity) and, if the order requires to specify a price or execution value, the relevant price or execution value; and
  - (9) Other matters prescribed by the Broker Member.
2. Notwithstanding the provisions of the preceding paragraph, a customer is not required to provide the instructions prescribed in Item 5 of the same paragraph with every order, if, with respect to the said instructions, the Broker Member has agreed to handle the order from the customer in accordance with the method instructed by the customer in advance. In this case, the Broker Member shall handle the customer order in accordance with the method instructed by the customer with respect to the said instructions.

#### **Article 6-2 (Special Provisions for Instructions, etc. in the Case of Consignment of Automatic Program Transactions)**

1. In cases where a Broker Member concludes with a customer (limited to those who have understood the matters listed in each item of the following paragraph) an agreement on transactions to be determined and executed by a computerized process or other processes executed in accordance with a predetermined method upon occurrence of a specified fact (hereinafter referred to as "Automatic Program Transactions"), the Broker Member may accept consignment of such transactions pursuant to the said agreement without receiving the instructions prescribed in each item of Article 6-1.1 unless prohibited by said agreement.
2. A Broker Member intending to conclude an agreement prescribed in the preceding paragraph with a customer shall deliver to the customer a document setting forth the terms prescribed in each of the following items:
  - (1) The outline of the automatic program transactions to be consigned;
  - (2) Disclosure to the effect that the customer may incur unforeseen losses;
  - (3) Measures to prevent the harm of increasing losses; and
  - (4) The scope of responsibility.
3. Before accepting the consignment of a transaction, a Broker Member shall obtain consent from the customer regarding the amount of Clearing Margin that can be used.
4. When a Broker Member concludes an agreement prescribed in Paragraph 1 with a customer, the Broker Member shall manage the Clearing Margin of the transactions pursuant to said agreement separately from the Clearing Margins of other transactions.
5. The provisions of Article 3.5 and 3.6 shall apply *mutatis mutandis* to the document to be delivered pursuant to Paragraph 2.
6. The provisions of Article 4.3 shall apply *mutatis mutandis* to the delivery of the document necessary for the conclusion of the agreement prescribed in Paragraph 1.

#### **Article 6-3 (Special Provisions for Discretionary Transactions under Eligible Consent, etc.)**

1. Provided that an Eligible Consignor pursuant to the provisions of Article 2.25 of the Act (excluding those who are deemed to be General Customers pursuant to the provisions of Article 197-4.5 or Article 197-4.8 of the Act and including those who are deemed to be Eligible Consignors pursuant to the provisions of Article 197-5.4 or Article 197-5.6 of the Act; the

- same shall apply in the following paragraph) or an Eligible Commercial Person pursuant to the provisions of Article 2.26 of the Act (excluding those who are deemed to be General Customers pursuant to the provisions of Article 197-4.5 or Article 197-4.8 of the Act as applied mutatis mutandis pursuant to Article 197-8.2 and including those who are deemed to be Eligible Commercial Persons pursuant to the provisions of Article 197-5.4 or Article 197-5.6 of the Act as applied mutatis mutandis pursuant to Article 197-9.2 of the Act; the same shall apply in the following paragraph) has consented the matters listed in each item of Article 6-1.1 (in the case of Item 8, excluding the price or the execution value) in advance, in cases where a Broker Member concludes with the Eligible Consignor or the Eligible Commercial Person an agreement under which the Broker Member may determine the matters listed in Item 8 (limited to the price or the execution value) within a consent specifying an appropriate range that takes into consideration the market price as of the date of said consent (or, if there is no market price as of the date of said consent, the latest market price available preceding the date of said consent) (hereinafter referred to as “Eligible Consent”), the Broker Member may accept consignment of transactions pursuant to the said agreement.
2. In cases where a Broker Member concludes with an Eligible Consignor or an Eligible Commercial Person an agreement regarding the total amount of individual transactions, the matters listed in Item 1 through Item 5 and Item 7 through Item 9 of Article 6-1.1 (in the case of Item 8, excluding the price or the execution value), and the availability of said Broker Member to determine either of the matters listed in Item 6 or Item 8 of Article 6-1.1 (in the case of Item 8, limited to the price or the execution value) if the Eligible Consignor or the Eligible Commercial Person gives consent (in the case of Item 8, including the Eligible Consent) to the other matter, such Broker Member may accept consignment of transactions pursuant to the said agreement.

### **Chapter 3 Margins**

#### **Article 7 (Placement or Deposit of Clearing Margins)**

1. With regard to the brokerage of transactions on the commodity markets, a Broker Member shall, as an agent of the customer, deposit the Clearing Margins, which have been placed by the customer as collateral with the Broker Member to the Clearing House.
2. Notwithstanding the provisions of the preceding paragraph, with regard to the brokerage of transactions, a Broker Member may, with the written consent of the customer, receive a deposit of Customer Margin from the customer.
3. A Broker Member may, in lieu of obtaining the consent pursuant to the provisions of the preceding paragraph, obtain the consent of a customer, in writing, or through an electromagnetic device (meaning a method using an electronic information processing system or a method using other information communications technology that is prescribed in Article 41.3 of the Ministry Ordinance; the same shall apply hereinafter in this article) by presenting to the customer the types and details (meaning types and details prescribed in each item of Article 41.6 of the Ministry Ordinance) of the electromagnetic device to be used. In this case, the Broker Member shall be deemed to have obtained the written consent of the customer.
4. In the event that a customer issues a notification, in writing, or through an electromagnetic device, that the customer will not give the consent through the electromagnetic device, the Broker Member who had previously obtained the consent of the customer pursuant to the provisions of the preceding paragraph shall not obtain the written consent of the customer through the electromagnetic device. However, this rule shall not apply if the customer grants his or her consent again pursuant to the provisions of the preceding paragraph at a later date.
5. A Broker Member may decide not to receive a deposit of the whole, or part of the Clearing Margin prescribed in Article 11-2, with respect to a customer, who is a seller, and has deposited a warehouse receipt (meaning a document certifying the storage of a commodity that is deliverable in the commodity markets of the Exchange) as Clearing Margin for his

outstanding positions (meaning contracts for which the settlement pertaining to the transactions on the commodity markets of the Exchange has not been completed; the same shall apply hereinafter):

Clearing Margins set forth in Paragraph 1, Items 2 through 4.

#### **Article 8 (Agent)**

1. A customer shall deposit and receive reimbursement of his/her Clearing Margins, with and from the Clearing House, through a Broker Member (or the Broker Member and its Designated Clearing Participant if said Broker Member is a Non-clearing Participant) acting as his/her agent.
2. A customer shall not appoint any person other than the Broker Member (or the Broker Member and its Designated Clearing Participant if the said Broker Member is a Non-clearing Participant), prescribed in the preceding paragraph as an agent for depositing and receiving the reimbursement of his/her Clearing Margins with and from the Clearing House. In addition, the customer shall not dismiss the said agent.
3. Notwithstanding the provisions of the preceding two paragraphs, the proxy authorization of a Broker Member (including the Broker Member and its Designated Clearing Participant if the said Broker Member is a Non-clearing Participant; the same shall apply hereinafter in this paragraph) as an agent shall be invalid if the whole, or a part of the positions consigned to the Broker Member has become subject to procedures for defaulting delivery positions, or defaulting non-delivery positions pursuant to the provisions of the Market Rules of the Exchange.

#### **Article 9 (Substitute Securities and Other Instruments)**

1. Clearing Margins may be deposited in the form of securities prescribed in Article 101.3 of the Act or warehouse receipts prescribed in Article 103.5 thereof ("Substitute Securities etc.").
2. The types, brands and allocation price of Substitute Securities etc. prescribed in the preceding paragraph, and other matters necessary for the handling of Substitute Securities etc., shall be determined by the Clearing House.
3. The Substitute Securities etc. provided for in Paragraph 1 shall be restricted to those for which all procedures necessary for the assignment or conversion to cash have been completed.
4. Where transferring rights to be indicated on the securities provided for in Article 101.3 of the Act as prescribed in Paragraph 1 pursuant to the provisions of the Act on Book-Entry Transfer of Company Bonds, Shares, etc. (Act No. 75 of 2001), and where agreed by the Broker Member, a customer shall open an account and cause the Broker Member, who is an agent of the customer, to open an account with a person designated by the Clearing House, and conclude an agreement in which the customer agrees to transfer such securities to and from the Clearing House through the account of the said Broker Member, who is an agent of the customer.

#### **Article 10 (Substitute Foreign Currencies)**

1. Clearing Margins may be deposited in the form of foreign currencies if they are accepted by a Broker Member.
2. The types and allocation prices of the foreign currencies prescribed in the preceding paragraph ("Substitute Foreign Currencies"), and other matters necessary for the handling of Substitute Foreign Currencies, shall be determined by the Clearing House.

#### **Article 10-2 (Deferral of Placement of Clearing Margins)**

1. A customer may, by obtaining the approval of the Clearing House, conclude the LG Agreement Concerning Direct Deposits (meaning Agreement of Letter of Guarantee Concerning Direct Deposits prescribed by Rules on Margins of the Clearing House; the same shall apply hereinafter) with Banks, etc. (meaning banks, etc. prescribed in Article 44 of Ministry Ordinance) and notify the Clearing House to that effect.

2. When obtaining the approval prescribed in the preceding paragraph, the customer shall obtain the consent from the Broker Member to which the customer intends to consign transactions in the commodity markets (including the Designated Clearing Participant of the Broker Member when the said Broker Member is Non-clearing Participant, and the Broker Member to whom consignment of transactions is intermediated by the Intermediary when the Customer of Intermediary intends to consign intermediation of consignment of transactions in the commodity markets) in advance.
3. Notwithstanding the provisions of the Article 11 and Article 11-2, under the case prescribed in the Paragraph 1, the customer may be granted, and the Broker Member may grant the deferral of the placement of Clearing Margins equivalents to Total Deficiency Amount or Cash Deficiency Amount, as prescribed by the Broker Member, within the limit of the Contract Deposit Amount under the LG Agreement Concerning Direct Deposits.
4. Other than those set force in the preceding three paragraphs, matters related to the deferral of the placement of Clearing Margins based on the LG Agreement Concerning Direct Deposits shall be determined by the Clearing House.

#### **Article 11 (Amount of Clearing Margins and Cut-off Time for Placement or Deposit of Clearing Margins)**

1. In cases where a transaction pertaining to a customer order is executed, if the Total Margin Amount Received falls short of the Broker-set Margin for Customer or if the cash portion of Deposited Margin falls short of the Cash Amount to be paid by a Customer of the customer, a customer shall place or deposit an amount not less than the larger of the Total Deficiency Amount or the Cash Deficiency Amount with the Broker Member as Clearing Margin by the date and time designated by the Broker Member, to be set no later than noon on the business day (two business days in the cases of a customer who is a non-resident) immediately following the day on which such deficiency occurs (meaning a day separately specified for each Clearing Period determined by the Clearing House). In this case, the Clearing Margin equivalent to the Cash Deficiency Amount may not be placed or deposited in the form of Substitute Securities etc. and Substitute Foreign Currencies.

#### **Article 11-2 (Additional Placement or Additional Deposit of Clearing Margins)**

1. In cases where a customer has incurred the Total Deficiency Amount or Cash Deficiency Amount, The customer shall place or deposit the amount not less than the larger of the Total Deficiency Amount or the Cash Deficiency Amount with the Broker Member by the date and time designated by the Broker Member, to be set no later than noon on the business day (two business days in the cases of a customer who is a non-resident) immediately following the day on which such deficiency occurs (meaning a day separately specified for each Clearing Period determined by the Clearing House). In this case, the Broker Member may not cause the customer to place or deposit the Clearing Margin equivalent to the Cash Deficiency Amount in the form of Substitute Securities etc. and Substitute Foreign Currencies.

#### **Article 11-3 (Payout of Book Profit)**

1. When the Mark-to-Market Profit or Loss Amount of a customer is a profit, a Broker Member may, in response to a request made by the customer, pay cash equivalent to such profit ("the Book Profit") out to the customer or reclassify it as Clearing Margin.
2. The payout or reclassification prescribed in the preceding paragraph may be made only up to an amount equivalent to the difference between the Total Margin Amount Received and the Broker-set Margin for Customer of the customer when the former exceeds the latter.

#### **Article 12 (Refund of Deposited Margin Excess)**

1. A Broker Member shall, upon request by a customer to refund the amount set by the Broker Member within the Excess Amount of Deposited Margin, refund the amount corresponding to the said request within four (4) business days including the date of the request. However,

this shall not apply to cases where the Excess Amount of Deposited Margin has exceeded the amount deposited in cash by the customer as Clearing Margin.

**Article 12-2 (Special Provisions for the Timing of Deposit of Clearing Margin)**

1. In addition to the timing prescribed in Article 11 and Article 11-2, a Broker Member may conclude a special agreement with a customer on the timing of placement or deposit of Clearing Margin.

**Article 13 (Issuance of Margin Deposit Receipt)**

1. When a customer places or deposits Clearing Margin with a Broker Member as collateral for transactions, the Broker Member shall, except in the case of exclusion from application prescribed in Article 220-4 of the Act, issue a Margin Deposit Receipt (hereinafter in this article referred to as a "Receipt") to the customer from the head office or one of the branches, other business offices, or offices of the said Broker Member. The Receipt to be issued shall state the amount deposited in cash, the brand, quantity, and allocation price of the deposited Substitute Securities etc., and the type, amount, and allocation price of the deposited Substitute Foreign Currencies.
2. Notwithstanding the provisions of the preceding paragraph, a Broker Member may, upon a written consent of the customer, omit the issuance of the Receipt for Clearing Margin placed or deposited through a financial institution.
3. The provisions of Article 7.3 and Article 7.4 shall apply *mutatis mutandis* to the written consent prescribed in the preceding paragraph.
4. The provisions of Article 3.5 and Article 3.6 shall apply *mutatis mutandis* to the document issued pursuant to the provisions of Paragraph 1.

**Article 14 (Disposition of Transactions upon Non-payment of Clearing Margins)**

1. As for the transactions consigned to a Broker Member, in cases where a customer fails to place or deposit the Clearing Margins prescribed in Article 11 and 11-2 by the designated date and time (in the case where a special agreement is concluded pursuant to the provisions of Article 12-2, such date and time shall include the date and time specified in the said special agreement), and the customer gives no instructions to a Broker Member as to which transaction is subject to disposition, the Broker Member may, at its discretion, dispose of the whole or of part of such customer transactions consigned to the Broker Member in the customer's account by resale or repurchase.
2. In the case referred to in the preceding paragraph, a Broker Member may, at its discretion, cancel any of the orders that the Broker Member has already accepted from the said customer.

**Chapter 4 Settlement by Offset or Delivery**

**Article 15 (Settlement by Offset)**

1. When a Broker Member has resold or repurchased a transaction consigned to the Broker Member, pertaining to transactions consigned to the Broker Member in accordance with the instructions of the customer, the Broker Member shall calculate the Profit or Loss resulting from Liquidation based on the Execution Price etc. of the transactions.
2. For the purpose of the preceding paragraph, if there are two (2) or more existing transactions that can be offset by resale or repurchase, such transactions shall be resold or repurchased in chronological order, with priority assigned to the oldest transaction, unless otherwise instructed by the customer.
3. Unless otherwise instructed by the customer by 4:00 p.m. on the day immediately preceding the Last Trading Day of the Current Contract Month for the customer's transactions consigned

- to the Broker Member (excluding Cash-Settled Futures Transaction and Index Futures Transaction; the same shall apply with the next paragraph) pertaining to the current contract month, a Broker Member shall dispose of the transactions in the customer's account by resale or repurchase during a trading session as from such cut-off time.
4. Notwithstanding the provisions of the preceding paragraph, a Broker Member may receive instructions from the customer regarding the preferred settlement method chosen among those prescribed by the Broker Member with respect to transactions consigned to the Broker Member, pertaining to the current contract month on Instruction Day (1<sup>st</sup> day of the month containing the Last Trading Day of the Current Contract Month (to be moved up if the day falls on a holiday) for Soybeans and Corn, and 15th day of the month containing the Last Trading Day of the Current Contract Month (to be moved up if the day falls on a holiday) for the other products; the same shall apply hereinafter)), and unless otherwise instructed by the customer by 4:00 p.m. on the Instruction Day or instructions received are not consistent with the settlement methods prescribed by the Broker Member, the Broker Member shall dispose of the existing transactions pertaining to such transactions in the customer's account by resale or repurchase during a trading session as from such cut-off time.
  5. The provisions of Paragraph 1 shall apply *mutatis mutandis* to the disposition of positions pertaining to the transactions consigned to Broker Members under the provisions of Article 14.1, Article 15.3 or 15.4, Article 16.2, Article 24-1, Article 24-2, Article 24-3, Article 26.1, 26.2 or 26.3, Article 37-2, Article 45.4 or Article 46.4.

#### **Article 16 (Settlement by Delivery)**

1. For the settlement of positions by delivery, a customer shall deliver a warehouse receipt corresponding to his/her short positions, to be settled to the Broker Member, or deliver the Total Trading Value corresponding to his/her long positions, to be settled to the Broker Member by 4:00 p.m. on the business day immediately preceding the Last Trading Day of the Current Contract Month (or, in the case where the customer gave instructions for settlement by delivery on the Instruction Day, pursuant to the provisions of Paragraph 4 of the preceding article, by the date and time determined by the Broker Member). In addition, a customer with a long position to be settled shall deliver the amount equivalent to the consumption tax applicable to the delivery payment pertaining to the said position to the Broker Member by 4:00 p.m. on the business day immediately preceding the Delivery Day of the Current Contract Month.
2. If a customer fails to deliver the warehouse receipt, or the Total Trading Value by the cut-off time prescribed in the preceding paragraph, a Broker Member shall dispose of the outstanding positions pertaining to such transactions in the customer's account by resale or repurchase during a trading session as from such cut-off time (or, in the case where the customer gave instructions for settlement by delivery on the Instruction Day pursuant to the provisions of Paragraph 4 of the preceding article, but failed to deliver the warehouse receipt or the Total Trading Value by the date and time determined by the Broker Member, as from such date and time determined by the Broker Member).
3. Notwithstanding the provisions of Paragraph 1, for the settlement of positions by delivery in the Rubber Market, the Precious Metals Market and the Aluminum Market, a customer deemed to be qualified by a Broker Member may deliver a warehouse receipt corresponding to his/her short positions, to be settled to the Broker Member or deliver the Total Trading Value corresponding to his/her long positions, to be settled to the Broker Member by noon on the business day immediately following the Last Trading Day of the Current Contract Month.
4. In the event that a customer fails to perform the delivery of the warehouse receipt or the Total Trading Value in accordance with the provisions of the preceding paragraph, a Broker Member may dispose of the warehouse receipt or delivery payment obtained by delivery in the commodity markets of the Exchange in the account of the said customer.
5. Upon completion of delivery in the commodity markets of the Exchange with respect to customer positions to be settled by delivery, a Broker Member shall pay the delivery payment, together with the amount corresponding to the applicable consumption tax, to a customer making delivery and deliver the warehouse receipt received for delivery in the commodity markets of the Exchange to a customer taking delivery, without delay. In the case where

- there are two (2) or more customers taking delivery, and where the content of the warehouse receipts received for delivery in the commodity markets of the Exchange are not identical, the warehouse receipts shall be fairly allocated to the customers taking delivery by lottery or other method.
6. A customer may settle positions by delivery without using warehouse receipts in the Rubber Market, the Precious Metals Market and the Aluminum Market, upon the consent of the buyer. In this case, the customer shall notify the Broker Member thereof at least two (2) business days prior to the Last Trading Day of the Current Contract Month.
  7. In addition to those prescribed in each of the preceding paragraphs, the Market Rules of the Exchange shall apply *mutatis mutandis* to matters necessary for the handling of delivery.

#### **Article 17 (Brokerage Commission)**

1. Upon execution of customer transactions (including disposition of transactions under Article 14.1, Article 15.3 or 15.4, Article 16.2, Article 24-1, Article 24-2, Article 24-3, Article 26.1, 26.2 or 26.3, Article 37-2, Article 45.4 or Article 46.4) or if stated by the Broker Member, a customer shall pay a Brokerage Commission to the Broker Member in the manner determined by the Broker Member.

#### **Article 18 (Satisfaction of Outstanding Obligations with Cash and Equivalents Placed or Deposited)**

1. Deposited Margin and other cash, Substitute Securities etc., Substitute Foreign Currencies, etc., placed or deposited by a customer, shall constitute common collateral for the purpose of satisfaction of the customer's outstanding obligations arising from the consignment of transactions on the Exchange and other commodity exchanges.
2. Notwithstanding the provisions of Article 12, a Broker Member shall retain the cash, Substitute Securities etc., Substitute Foreign Currencies, etc., referred to in the preceding paragraph as collateral until the customer's outstanding obligations arising from the consignment of transactions on the Exchange and other commodity exchanges are satisfied.
3. In the event that a customer fails to satisfy outstanding obligations arising in connection with the customer's transactions within ten (10) business days from the day designated by a Broker Member, the Broker Member may appropriate any Deposited Margin and other cash, Substitute Securities etc., Substitute Foreign Currencies, etc., placed or deposited by the customer referred to in Paragraph 1 for the satisfaction of the said obligations. If any excess or deficiency arises from such appropriation, the excess shall be refunded to the customer in conformance with the provisions of Article 12, and the amount of deficiency shall be paid by the customer to the Broker Member by the date and time designated by the Broker Member.
4. For the purpose of appropriating Substitute Securities etc. or other non-cash collateral, for the satisfaction of outstanding obligations pursuant to the provisions of the preceding paragraph, a Broker Member may dispose of the said collateral and convert it to cash. In this case, any taxes and costs related to such conversion shall be borne by the customer.
5. A Broker Member, appropriating collateral for the satisfaction of any outstanding obligations under the provisions of Paragraph 3, shall notify a customer thereof in writing, in advance.
6. A Broker Member may, in lieu of the notification in writing prescribed in the preceding Paragraph, provide the matters that are required to be notified to a customer through an electromagnetic device (meaning a method using an electronic information processing system or a method using other information communications technology that is prescribed in Article 110 of the Ministry Ordinance; the same shall apply hereinafter in this article), provided that the Broker Member has obtained the consent of the customer in writing, or through the electromagnetic device by presenting to the customer the types and details (meaning the types and details prescribed in each item of Article 90-4 of the Ministry Ordinance) of the electromagnetic device used. In this case, the Broker Member shall be deemed to have given such notification in writing to the customer.
7. In the event that a customer issues a notification in writing, or through an electromagnetic device that the customer will not accept the said notification through the electromagnetic device, the Broker Member who had previously obtained the consent of the customer,

pursuant to the provisions of the preceding paragraph, shall not provide the matters that are required to be contained in the said notification document to the customer through the electromagnetic device. However, this rule shall not apply if the customer grants his or her consent again, pursuant to the provisions of the preceding paragraph, at a later date.

#### **Article 18-2 (Special Provisions for Conversion of Substitute Securities etc. to Cash)**

1. In the case falling under Article 303.1.4 of the Act, when a Broker Member is required to return to a customer Substitute Securities etc. that have been deposited by the customer through the transfer prescribed in Article 9.4, but is unable to do so due to causes not attributable to the Broker Member, the Broker Member may return the said Substitute Securities etc. in the form of cash by disposing of them and converting them to cash. In this case, the customer shall bear any taxes and costs necessary for the said conversion to cash and may not object to the said conversion to cash.

### **Chapter 5 Notification for Customer**

#### **Article 19 (Notice of Execution of Transactions)**

1. Upon the execution of transactions consigned to a Broker Member, the Broker Member shall notify the customer of the following matters and the matters prescribed in Article 109 of the Ministry Ordinance in writing without delay, except in the case where it would not be necessary to make such notification pursuant to the provisions of the proviso clause of Article 220.1 or in the case of exclusion from application prescribed in Article 220-4 of the Act:
  - (1) Type of transaction;
  - (2) Type of the listed commodity component product, listed commodity index, or Option Series;
  - (3) Date and time at which order instructions for consignment were received;
  - (4) Contract month (excluding Cash-settled Rolling Spot Futures transaction (meaning Cash-settled Rolling Spot Futures transaction prescribed in Market Rules; same shall apply hereinafter) and Options Transactions);
  - (5) Buy or sell;
  - (6) New or offsetting;
  - (7) Date and time at which the transaction was executed;
  - (8) Quantity;
  - (9) Execution Price etc. of the executed transaction (include the Execution price of the original transaction in case of offset transaction);
  - (10) Total Trading Value of the executed transaction;
  - (11) Mark-to-Market Profit or Loss Amount;
  - (12) Brokerage Commission and Tentative Brokerage Commission;
  - (13) Option transaction payment and the Exercise price differential;
  - (14) Tentative Mark-to-Market Net Profit of Loss (excluding Options Transactions);
  - (15) Profit or Loss resulting from Liquidation (excluding Options Transactions); and
  - (16) Outstanding balance of Deposited Margin.
2. Upon receiving notice under the preceding paragraph, a customer lodging an objection to any of the matters contained in the notice shall notify the Broker Member thereof, without delay.
3. Upon receiving an objection under the preceding paragraph, the Broker Member shall issue a written response to the customer, without delay.
4. Provisions of Article 18.6 and Article 18.7 shall apply *mutatis mutandis* to the written notice under Article 18.1 and the written response under the preceding paragraph.

#### **Article 20 (Notice of Unexecuted Transactions)**

1. In cases where any transaction consigned to a Broker Member, in whole or part, was not

- executed, the Broker Member shall notify the customer of the unexecuted transactions without delay.
2. The provisions of Paragraphs 2 and 3 of the preceding article shall apply *mutatis mutandis* to cases of unexecuted transactions under the preceding paragraph. However, to the extent that the said unexecuted transactions are due to the absence of price formation for listed commodities, or restrictions on transactions imposed pursuant to the provisions of the Market Rules of the Exchange, the customer may not object to such unexecuted transactions.
  3. Provisions of Article 18.6 and Article 18.7 shall apply *mutatis mutandis* to the written response under Paragraph 3 of the preceding article as applied *mutatis mutandis* in the preceding paragraph.

#### **Article 21 (Notice of Settlement by Delivery)**

1. When a transaction consigned to a Broker Member is settled by delivery pursuant to the provisions of Article 16, the Broker Member shall notify the customer of the following matters and the matters prescribed in Article 109 of the Ministry Ordinance in writing without delay:
  - (1) Type of transaction;
  - (2) Type and kind of the listed commodity component product;
  - (3) Contract month;
  - (4) Date of buy or sell;
  - (5) Quantity;
  - (6) Name of warehouse;
  - (7) Warehouse receipt number;
  - (8) Execution price of the executed transaction;
  - (9) Price differential by grades;
  - (10) Delivery payment;
  - (11) Delivery price and consumption tax applicable to the delivery payment;
  - (12) Any miscellaneous expenses;
  - (13) Brokerage Commission on new buy or sell orders and Brokerage Commission on delivery; and
  - (14) Net amount of payment and receipt.
2. Provisions of Article 18.6 and Article 18.7 shall apply *mutatis mutandis* to the written notice prescribed in the preceding paragraph.
3. Provisions of the proviso clause of Article 220.1 and the provisions of Article 220-4 of the Act shall apply *mutatis mutandis* to the writing notice under paragraph 1.

#### **Article 22 (Regular Confirmation of Customer Account Balances)**

1. On the last day of every reporting period (the period divided one year by the term less than 3 months (or one year or less period in the case of no execution or the consigned order has been made for one year from the last reporting date), a Broker Member shall notify its customers of the following matters, in writing, and request a confirmation of such information, and shall receive instructions from them regarding the refund of the Excess Amount of Deposited Margin:
  - (1) Balance of the Deposited Margin (the balance of cash, Substitute Securities etc., or Substitute Foreign Currencies shall be clarified separately and in the aggregate, and the type, brand, quantity, and allocation price of Substitute Securities etc. and the type and allocation price of Substitute Foreign Currencies shall also be clarified);
  - (2) Required Amount of Broker-set Margin for Customer;
  - (3) Details of outstanding positions:
    - A. Type of transaction;
    - B. Type of the listed commodity component product, listed commodity index, or Option Series;
    - C. Contract month (excluding Cash-settled Rolling Spot Futures Transactions and Options Transactions);
    - D. Buy or sell;
    - E. Date of execution of transaction;

- F. Quantity;
  - G. Execution price etc.; and
  - H. Mark-to-Market Profit or Loss Amount;
  - (4) Total Margin Amount Received;
  - (5) Excess Amount of Deposited Margin; and
  - (6) In the case where payout, etc. of book profit is planned, the maximum allowable amount of such payout, etc.
2. In addition to the regular notification prescribed in the preceding paragraph, the Broker Member shall, upon the request of a customer, notify the customer of the matters set forth in each item of the preceding paragraph, without delay (in cases where customer requires to receive notification of the matters set forth in each item of the preceding paragraph at every execution of trade basis, notify with every transactions).
  3. Upon receiving the notice under the preceding two paragraphs, a customer lodging an objection to any of the matters contained in the notice shall notify the Broker Member thereof, without delay.
  4. Upon receiving an objection under the preceding paragraph, the Broker Member shall issue a written response to the customer, without delay.
  5. Provisions of Article 220-4 of the Act shall apply *mutatis mutandis* to the writing notice under paragraph 1, and the provisions of Article 18.6 and Article 18.7 shall apply *mutatis mutandis* to the written notice under Paragraph 1 and the written response under the preceding paragraph.

#### **Article 23 (Notice of Disposition of Transactions)**

1. The provisions of Article 19.1 shall apply *mutatis mutandis* to the disposition prescribed in Article 14.1, Article 15.3 or 15.4, Article 16.2, Article 24-1, Article 24-2, Article 24-3, Articles 26.1, 26.2 or 26.3, Article 37-2, Article 45.4, Article 46.4 or Article 83.1.3.
2. The provisions of Article 18.6 and Article 18.7 shall apply *mutatis mutandis* to the notice made pursuant to the provisions of the preceding paragraph.

### **Chapter 6 Restrictions on Transactions**

#### **Article 24 (Emergency Measures)**

1. In the event that a transaction consigned to a Broker Member falls under any of the following items, or is offset by resale or repurchase as part of an emergency measure, the Broker Member shall notify the customer thereof, without delay. In such cases, the customer may not lodge an objection to said measures:
  - (1) Where transactions, or the number of customer transactions are restricted, or special restrictions on either cases are imposed by temporary suspension or temporary commencement of a trading session, or by restriction on the number of member positions, or on other matters pursuant to the applicable laws and regulations or the Market Rules of the Exchange;
  - (2) Where all or some of the outstanding positions consigned to a Broker Member have been disposed of, or offset,
    - in accordance with the procedures for defaulting delivery positions or defaulting non-delivery positions, or
    - by forced liquidation, or
    - by emergency measures taken pursuant to the Market Rules of the Exchange;
  - (3) Where settlement of transaction has been completed in connection with all outstanding positions consigned to a Broker Member in accordance with the Market Rules of the Exchange; or
  - (4) Where all or some of the outstanding positions consigned to a Broker Member have been cancelled pursuant to the Market Rules of the Exchange;
  - (5) Where any of the orders or notifications of option exercise consigned to a Broker Member,

- which had been accepted by the Exchange, have been invalidated pursuant to the Market Rules of the Exchange; or
- (6) Where measures determined by the Exchange to be necessary for proper market management have been taken with respect to transactions consigned to Broker Members pursuant to the Market Rules of the Exchange.

**Article 24-2 (Measures, etc. in Case of Abolishment or Temporary Halt of Market, etc.)**

1. In the event that with regard to a transaction consigned to a Broker Member, the Exchange has decided to abolish or temporarily halt the trading of a Listed Product or Listed Commodity Index, 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 requires all positions outstanding at the close of the Day Session on said effective date (excluding those pertaining to the current contract month if said effective date falls on Last Trading Day of the current contract month) to be settled at the last execution price, etc., the Broker Member shall notify the customer thereof, without delay. In such cases, the customer may not lodge an objection to said decision.

**Article 24-3 (Measures to be Taken in the Case of False Notification by Customer, etc.)**

1. In the case where a Broker Member has found that matters notified by a customer pursuant to the provisions of the Act or Article 5 or other articles of these Rules contain a false statement or in the case where said matters have raised any doubts, the Broker Member may inquire the said matters with the customer and request the customer to make a report on any necessary matters. In this case, the customer who is requested by the Broker Member to make such a report shall promptly respond to such request.
2. In the case where after failing to respond to the initial inquiry prescribed in the preceding paragraph, a customer fails again to respond to a repeated inquiry made pursuant to the provisions of the same paragraph without justifiable reason or in the case where the Broker Member determines that the response to the inquiry prescribed in the preceding paragraph is false, the Broker Member may, at its discretion, dispose of the whole or of part of such customer transactions consigned to the Broker Member in the customer's account by resale or repurchase. In this case, the customer may not lodge an objection to the said disposition.

**Article 25 (Prohibition on Discretionary Trading)**

1. A Broker Member may not engage in any of the following trading activities in the commodity markets:
- (1) Accepting consignment of transactions without receiving instructions from a customer on some or all of the matters set forth in each item of Article 6.1 (excluding activities set forth in each item of Article 102.1 of the Ministry Ordinance);
  - (2) Conducting transactions for a customer account without receiving instructions from the customer (excluding dispositions of customer positions pursuant to the provisions of Article 14.1, Article 15.3 or 15.4, Article 16.2, Article 24-1, Article 24-2, Article 24-3, Articles 26.1, 26.2 or 26.3, Article 37-2, Article 45.4, or Article 46.4); or
  - (3) Accepting consignment from an agent of a customer with general authority regarding some or all of the matters set forth in each item of Article 6.1 (excluding agents prescribed in Article 5.1.4 and Article 5.1.6).
2. The provisions of Article 102.2 of the Ministry Ordinance shall apply to the activities specified parenthetically as exclusions in Item 1 of the preceding paragraph.

**Article 26 (Restrictions on Transactions)**

1. With respect to transactions consigned to a Broker Member, regardless of under whose name they were made, when a customer (including any Intermediary (including Foreign

Commodity Futures Broker for the purpose of this article) and those consigned or requested intermediation of consignment to Intermediary, or requested for intermediation of consignment for intermediation of consignment; hereinafter in this article collectively referred to as "Customer etc.") has positions (if the Customer etc. consigned, consigned intermediation of consignment, requested intermediation of consignment, or requested for intermediation of consignment for intermediation of consignment with two (2) or more Broker Members and/or Intermediaries, the total of such positions) exceeding, or is likely to exceed any position limits established by the Exchange, or is deemed by the Exchange to have exceeded such limits, the Broker Member shall dispose of the excess positions by resale or repurchase in the accounts of the Customer etc., in accordance with the instructions of the Exchange given pursuant to the Market Rules of the Exchange.

2. With respect to transactions consigned to a Broker Member, if the Exchange recognizes that fair market pricing or smooth settlement of transaction is inhibited, or is likely to be inhibited by market cornering, bear raid, etc., carried out by a single customer, or the customer and other persons acting in collusion in the commodity markets of the Exchange or other commodity exchanges, the Broker Member shall restrict the acceptance of new orders from the said customer, or dispose of some or all of the transactions consigned to the Broker Member by resale or repurchase in the account of the said customer, in accordance with the instructions of the Exchange given pursuant to the Market Rules of the Exchange.
3. With respect to transactions consigned to a Broker Member, if the Customer etc. refuses to provide explanations or submit relevant materials requested by the Exchange, pursuant to the Market Rules of the Exchange, for the purpose of ensuring fair transactions, the Broker Member shall restrict the acceptance of new orders from the said customer, or dispose of some or all of the transactions consigned to the Broker Member, by resale or repurchase, in the account of the said customer, in accordance with the instructions of the Exchange given pursuant to the Market Rules of the Exchange.
4. Under the cases prescribed in the preceding three paragraphs, the Customer etc. may not lodge objections to such restrictions or dispositions.
5. In disposing of a transaction pursuant to the provisions of Paragraphs 1 through 3, a Broker Member shall notify the customer thereof, in advance.

#### **Article 27 (Transfer or Succession of Outstanding Positions)**

1. If it is determined, pursuant to the provisions of the Market Rules of the Exchange, that customer positions will be transferred from a Broker Member (hereinafter in this article referred to as "Transferring Broker Member") to another Broker Member (hereinafter in this article referred to as "Accepting Broker Member"), in cases falling under any of the following items, the Transferring Broker Member shall notify the relevant customer of such transfer:
  - (1) Where an agreement to transfer all customer positions has been concluded between the Transferring Broker Member and the Accepting Broker Member, and both Broker Members have notified the Exchange of the said agreement in advance upon prior consent of the customer with respect to the said agreement; or
  - (2) Where an agreement to transfer all customer positions has been concluded among the Transferring Broker Member, the customer of the Transferring Broker Member, and the Accepting Broker Member and both Broker Members have notified the Exchange of the said agreement in advance.
2. If it is determined that the customer positions will be transferred under the preceding paragraph, the customer shall provide a document, prescribed in Article 4, to the Accepting Broker Member. However, this shall not apply to cases where the said document has already been provided to the Accepting Broker Member.
3. In cases where the customer positions were transferred pursuant to the provisions of Paragraph 1, the Clearing Margins of the customer previously deposited with the Clearing House (limited to those deposited directly with the Clearing House), shall be deemed to be deposited by the customer through the Accepting Broker Member that is acting as its agent.
4. Subject to prior approval of the Exchange, a Broker Member or Intermediary, falling under either of the following items may, in accordance with the Market Rules of the Exchange, have another Broker Member succeed the positions pertaining to consignment of transactions as

positions pertaining to intermediation of such consignment as an Intermediary, or have a person who is to be a Broker Member succeed the positions pertaining to intermediation of consignment of transactions as an Intermediary, as positions pertaining to consignment of transactions, or if it is deemed necessary by the Exchange, may have another person approved by the Exchange succeed such positions:

- (1) Where the Broker Member becomes an Intermediary of another Broker Member:  
Where prior consent has been obtained from the customer with respect to the change, that the Broker Member will become an Intermediary of another Broker Member, and a notification has been made to the Exchange by both Broker Members, and such other Broker Member to whom consignment of transactions will be intermediated of the agreement that the Broker Member will have such other Broker Member succeed the positions pertaining to consignment of transactions, as the positions pertaining to intermediation of such consignment; or
  - (2) Where the Intermediary of another Broker Member becomes a Broker Member:  
Where prior consent has been obtained from the Customer of Intermediary, with respect to the change that the Intermediary will become a Broker Member, and a notification has been made to the Exchange by both the Intermediary and the Broker Member to whom consignment of transactions has been intermediated by the Intermediary of the agreement that the Intermediary will succeed the positions pertaining to intermediation of consignment of transactions as the positions pertaining to consignment of transactions.
5. In cases where positions were succeeded, pursuant to Item 1 of the preceding paragraph, the Clearing Margins of the customer deposited with the Clearing House (limited to those deposited directly with the Clearing House), shall be deemed to be deposited with the Clearing House by the customer through the said Intermediary and Succeeding Broker Member (or another person approved by the Exchange if it is deemed necessary) acting as its agents. In cases where positions were succeeded pursuant to Item 2 of the preceding paragraph, the Clearing Margins of the Customer of Intermediary deposited with the Clearing House (limited to those deposited directly with the Clearing House), shall be deemed to be deposited with the Clearing House by the Customer of Intermediary through the person who became the Broker Member (or another person approved by the Exchange if it is deemed necessary) acting as its agent.
  6. In cases where positions were transferred or succeeded under the provisions of this article, the customer or the Customer of Intermediary may not lodge objections against the Accepting Broker Member, the Succeeding Broker Member, the Exchange, or the Clearing House with respect to the handling of the transfer or succession of positions carried out, pursuant to the provisions of these Rules, or other rules and regulations of the Exchange or the Clearing House.
  7. The provisions of the preceding paragraphs shall apply *mutatis mutandis* to the transfer of the overseas customers ("overseas customers" prescribed in Article 30.2.2 of Market Rules; the same shall apply hereinafter) positions from the Remote Broker Member prescribed in Article 87.4 of Market Rules to the Accepting Broker Member, or from the Transferring Broker Member to the Remote Broker Member.

## **Chapter 7 Miscellaneous Provisions**

### **Article 28 (Special Provisions for the Calculation of Cash Amount to be received or paid by a Customer)**

1. A Broker Member may conclude a special agreement with a customer stipulating that the Mark-to-Market Profit or Loss Amount is not added to the Cash Amount to be received or paid by a Customer when the Mark-to-Market Profit or Loss Amount is a profit.

**Article 29 (Claim for Reimbursement of Special Expenses)**

1. A Broker Member may claim reimbursement from a customer of any special expenses incurred on behalf of the customer in connection with the transactions consigned to the Broker Member.

**Article 30 (Interest on Deposited Cash)**

1. The Clearing House will not pay any interest on Clearing Margins or other cash and securities deposited by customers etc., through their agents to the Clearing House, for its management.

**Article 31 (Restrictions on Use of Substitute Securities etc.)**

1. A Broker Member may not place as collateral, lend or otherwise dispose of Substitute Securities etc. in a customer's account, or of Substitute Securities etc. deposited by a customer for transactions in the commodity markets, in any way contrary to the original purpose. However, this shall not apply to cases where such Substitute Securities and Other Instruments are deposited to a Customer Protection Fund, or placed as collateral or entrusted to a financial institution upon consent of the customer.
2. Financial institutions with which Substitute Securities etc. may be placed as collateral under the preceding paragraph shall be restricted to clearing corporations, banks, credit unions, *Shinkin* banks, the *Norinchukin* Bank, the *Shoko Chukin* Bank Ltd., Agricultural Cooperatives and the National Federation of Agricultural Cooperative Associations licensed to engage commercially in the business of receiving deposits and savings, trust companies or financial institutions engaging in the trust business (meaning financial institutions licensed under Article 1.1 of the Act on Provision, etc. of Trust Business by Financial Institutions (Act No. 43 of 1943)), and insurance companies.

**Article 32 (Right to Claim Refund of Clearing Margins from the Clearing House)**

1. In the event that some or all of customer positions consigned by a customer are disposed of as defaulting delivery positions, or defaulting non-delivery positions in accordance with the Market Rules of the Exchange, and if the customer holds the right to claim refund of Clearing Margins managed by the Clearing House, the customer may exercise the right to claim a refund from the Clearing House, in a manner determined by the Clearing House. In this case, Substitute Securities etc. and Substitute Foreign Currencies, deposited as Clearing Margins for replacement deposit, shall be converted into cash (expenses incidental to such conversion shall be deducted from said Clearing Margins), and shall be refunded in cash only, even if the Customer Margin has been deposited in the form of Substitute Securities etc. or Substitute Foreign Currencies. Furthermore, on account of fluctuations in the market prices of Substitute Securities etc. or Substitute Foreign Currencies deposited as Clearing Margins for replacement deposit or for other reasons, the Clearing Margins pertaining to the customer's right to claim a refund may not be refunded in full.
2. In cases where the amount of Clearing Margins refunded based upon a claim provided for in the preceding paragraph, or the amount paid by the Broker Member for the satisfaction of its obligations to the customer is lower than the amount of credit held by the customer, the customer may claim the deficiency from the Customer Protection Fund prescribed in Chapter 6 of the Act ("Customer Protection Fund") in a manner determined by the Customer Protection Fund. However, the amount of claim that the customer may make against the Customer Protection Fund shall be limited to those pertaining to customer assets prescribed in Article 210.1 of the Act.

**Article 33 (Complaints and Request for Mediation)**

1. With regard to the acceptance of consignment of transactions on a commodity market conducted by a Broker Member, a customer may lodge a complaint and request for arbitration or conciliation of disputes arising therefore, with the Commodity Futures Association of Japan,

- prescribed in Article 241 of the Act.
2. With regard to disputes arising from the acceptance of consignment of transactions on a commodity market conducted by a Broker Member other than those handled by the Commodity Futures Association of Japan under the preceding paragraph, a customer may lodge a request for mediation for dispute resolution with the Exchange, in accordance with the Dispute Resolution Regulations of the Exchange.
  3. Complaints and requests for arbitration, conciliation or mediation prescribed in the preceding two paragraphs shall be lodged within three (3) years from the day on which the settlement of the transaction causing the said complaints or disputes completed.

#### **Article 34 (Special Provisions for Member Customers)**

1. A Broker Member is not required to deliver a copy of these Rules to a customer who is a Member.
2. The provisions of the preceding paragraph shall apply *mutatis mutandis* to customers who are Associate Members prescribed in Article 143 of Market Rules.

#### **Article 35 (Notification to Intermediaries Concerning Market Management)**

1. A Broker Member who received notification or instructions concerning market management from the Exchange shall promptly notify the Intermediary thereof.

#### **Article 36 (Regular Confirmation of Intermediary Account Balances)**

1. Notwithstanding the provisions of Article 22.1, a Broker Member shall follow the procedure prescribed in the same paragraph with respect to its Intermediary on each business day.
2. Notwithstanding the provisions of Item 3 of the same article, upon receiving the notification prescribed in the same article from a Broker Member, an Intermediary lodging an objection to any of the matters contained in the notice shall notify the Broker Member thereof by the business day immediately following the day on which the notice is received.

#### **Article 37 (Compliance Requirements for Intermediaries)**

1. The provisions of these Rules (excluding main clause of Article 1.2, Articles 5.4, Articles 16.3, 16.4 and 16.6, Article 33.2, Article 35, Article 36, Article 40, Article 40-3, Article 40-4, Article 40-5.4 and proviso clause of Article 45.2.1, Article 45.2.2, Article 45.2.3, and Article 45.3.2) shall apply *mutatis mutandis* to the intermediation of consignment of transactions in the commodity markets handled between an Intermediary and its customer, pursuant to the provisions of Article 1.2.
2. An Intermediary shall comply with the matters set forth in each of the following items in handling intermediation of consignment of transactions in the commodity markets:
  - (1) An Intermediary shall require its customers to comply with the various rules and regulations of the Exchange and, upon the request of the Exchange, shall submit through a Broker Member relevant materials necessary for the business of intermediation of consignment of transactions in the commodity markets;
  - (2) An Intermediary shall give instructions to a Broker Member separately for its proprietary transactions and transactions of its customers;
  - (3) With respect to margins placed or deposited with a Broker Member, an Intermediary shall notify the Broker Member, on each business day of the classification, of the balance thereof, into Clearing Margins or Customer Margins deposited by its customers with the Intermediary, or the Contract Deposit Amount under the LG Agreement concerning Direct Deposits of the said Customer of Intermediary pursuant to the provisions of Article 10-2 as applied *mutatis mutandis* pursuant to Paragraph 1, and Intermediation Margins deposited by its customers with the Intermediary, that are in turn, placed as Clearing Margins or Customer Margins, and the total Clearing Margin Maintenance Amount of its Customer of Intermediary; and
  - (4) An Intermediary shall not engage in intermediation of consignment of transactions

- prescribed in Article 5.4.
3. The provisions of Article 7.2 shall apply *mutatis mutandis* to Intermediation Margins.
  4. If, with respect to an Intermediary falling under any of the following items, it has been determined that the Exchange will cause such Intermediary (“Transferring Intermediary”) to transfer its positions, pertaining to intermediation of consignment of transactions, to a Broker Member to whom consignment of transactions is intermediated, another Intermediary of such Broker Member, another Broker Member, or an Intermediary of such other Broker Member (hereinafter in this Article collectively referred to as “Accepting Broker Member etc.”), the Intermediary shall notify its relevant customers thereof:
    - (1) Where an agreement to transfer all positions pertaining to intermediation of consignment of transactions from the Transferring Intermediary to the Accepting Broker Member etc. (for the purpose of this item and the next item, the Accepting Broker Member etc. who is an Intermediary shall include the Broker Member to whom consignment of transactions is intermediated by the Intermediary), has been concluded between the Transferring Intermediary and the Accepting Broker Member etc., and both the Broker Member to whom consignment of transactions has been intermediated by the Transferring Intermediary and the Accepting Broker Member etc. (or, for an Intermediary, the Broker Member to whom consignment of transactions is intermediated by the Intermediary), have notified the Exchange of the said agreement in advance upon prior consent of the Transferring Intermediary’s customers with respect to the said agreement; or
    - (2) Where an agreement to transfer all positions, pertaining to intermediation of consignment of transactions of the Customer of Intermediary, from the Transferring Intermediary to the Accepting Broker Member etc., has been concluded among the Transferring Intermediary, its customer, and the Accepting Broker Member etc., and both the Broker Member to whom consignment of transactions has been intermediated by the Transferring Intermediary and the Accepting Broker Member etc. (or, for an Intermediary, the Broker Member to whom consignment of transactions is intermediated by the Intermediary), have notified the Exchange of the said agreement in advance.
  5. If it is determined that the positions will be transferred under the preceding paragraph, the Customer of Intermediary shall provide a document, prescribed in Article 4, to the Accepting Broker Member etc. However, this shall not apply to cases where the said document has already been provided to the Accepting Broker Member etc.
  6. In cases where positions were transferred, pursuant to the provisions of Paragraph 4, the Clearing Margins of the Customer of Intermediary previously deposited with the Clearing House (limited to those deposited directly with the Clearing House) shall be deemed to be deposited by the Customer of Intermediary through the Accepting Broker Member etc. (or, for an Intermediary, the Intermediary and Broker Member to whom consignment of transactions is intermediated by the Intermediary), who is acting as its agent.
  7. In cases where positions were transferred under the provisions of Paragraph 4, the Customer of Intermediary may not lodge objections against the Accepting Broker Member etc., the Exchange, or the Clearing House, with respect to the handling of the transfer of positions carried out, pursuant to the provisions of these Rules, or other rules and regulations of the Exchange or the Clearing House.

**Article 37-2 (Special Provision for Disposition of Positions pertaining to Transactions Consigned by Intermediaries)**

1. In the event that an Intermediary has fallen under any of the following items, a Broker Member shall immediately dispose of all or some of the transactions consigned to the Broker Member by resale or repurchase in the Intermediary’s account, provided that a prior agreement on such disposition exists between the Intermediary and the Broker Member. In such cases, the Intermediary and the Customer of Intermediary pertaining to the transactions subject to the said disposition may not lodge any objection to the said disposition.
  - (1) When the Intermediary has fallen under Article 303.1.1 of the Act;
  - (2) When the Intermediary has fallen under Article 303.1.2 of the Act;
  - (3) When the Intermediary has fallen under Article 303.1.3 of the Act;
  - (4) When the Intermediary has fallen under the first sentence of Article 303.1.4 of the Act;

- (5) When the Intermediary has fallen under Article 303.1.5 of the Act;
- (6) When the Intermediary has fallen under Article 42.1.2 of the Order for Enforcement of the Commodity Futures and Exchange Act (Cabinet Order No. 280 of 1950); and
- (7) In the case where there is an agreement between the Broker Member and the Intermediary concerning disposition of transactions for causes other than those listed in each of the preceding items and the terms of the said agreement have been explicitly made public to Customers of Intermediary by the Intermediary, when the Intermediary has fallen under the terms of the said agreement.

#### **Article 37-3 (Special Provisions for the Refund of Clearing Margin to Customers of Intermediary)**

1. In the case where a Broker Member has disposed of the positions pertaining to the transactions consigned by the Intermediary, the Broker Member shall refund the Clearing Margin and Intermediation Margin of all Customers of Intermediary pertaining to the said Intermediary directly to the said Customers of Intermediary. In this case, a Broker Member may entrust the business of the said refund to the Customer Protection Fund, provided that there is a prior agreement with the Consignor Protection Fund to that effect.

#### **Article 38 (Special Provision for Broker Members who are Non-clearing Participants)**

1. In cases where the Broker Member is a Non-clearing Participant, the provisions of these Rules shall apply *mutatis mutandis* to intermediation of consignment of commodity clearing transactions and intermediation of consignment of commodity clearing transactions that has been consigned to be further intermediated. In this case, the terms “customer,” “Intermediary,” “Customer of Intermediary,” and “Intermediation Margin,” shall be deemed to be replaced with “Customer of Non-clearing Participant,” “Clearing Intermediary,” “Customer of Clearing Intermediary,” and “Clearing Intermediation Margin,” respectively.

#### **Article 39 (Interpretation of the Brokerage Rules)**

1. If any doubts concerning the interpretation of these Rules have been raised, the final interpretation shall be determined by the Exchange.

### **Chapter 8 Special Provisions for Give-up**

#### **Article 40 (Give-up)**

1. Give-up means giving-up the whole or a part of a trade to another Broker Member (hereinafter in this chapter referred to as “Clearing Broker”) or another Member (Broker Members, Trade Members as provided for in Article 87.1.1, and Remote Trade Members as provided for in Article 87.1.3; hereinafter in this chapter referred to as “Clearing Member”) after the said trade has been executed by a Broker Member (hereinafter in this chapter referred to as “Executing Broker”) or a Member (hereinafter in this chapter referred to as “Executing Member”) with whom the order was placed.

#### **Article 40-2 (Give-up Requirements)**

1. A customer intending to consign transactions pertaining to give-up may do so if the customer satisfies requirements separately determined by the Exchange and obtains prior approval of the Exchange, provided that the customer has obtained a consent of the Clearing Broker (hereinafter referred to as “Take-up Notification”)
2. A customer intending to consign transactions pertaining to give-up shall conclude Commodity

- Transaction Agreements separately with the Executing Broker and the Clearing Broker, pursuant to Article 4.1 and place or deposit Clearing Margins with the Clearing Broker.
3. In cases where the trades pertaining to give-up that arise from the execution of transactions consigned by a customer to the Executing Broker have been voided upon the acceptance by the Exchange of the Take-up Notification received from the Clearing Broker, consignment by the customer to the Executing Broker pertaining to such trades shall be deemed to be terminated and new consignment by the customer to the Clearing Broker pertaining to the trades newly arising from the give-up shall simultaneously take effect.
  4. Trades arising from give-up shall be deemed to be trades arising from transactions consigned by the customer to the Clearing Broker.

#### **Article 40-3 (Requirements for Give-up of Proprietary Transactions of Member)**

1. Notwithstanding the provisions of previous Article, in the case where an Executing Member intends to give-up the trades arising from the execution of proprietary transactions to the Clearing Broker or a Clearing Member intends to take-up the trades arising from the execution of transactions consigned to an Executing Broker to said Clearing Member's proprietary transaction, such give-up transaction shall be effective, if the parties involved obtain prior approval of the Exchange, provided that a Take-up Notification of the Clearing Broker or Clearing Member has been granted.
2. An Executing Member intending to consign transactions pertaining to give-up shall place or deposit Clearing Margins with the Clearing Broker.
3. In the case where trades pertaining to give-up that arose from the execution of proprietary transactions of an Executing Member have been voided upon the acceptance by the Exchange of the Take-up Notification received from the Clearing Broker, new consignment by the Executing Member to the Clearing Broker pertaining to the trades newly arising from the give-up shall take effect. In this case, trades arising from said give-up shall be deemed to be trades arising from transactions consigned by the Executing Member to the Clearing Broker.
4. In the case where trades pertaining to give-up that arose from consignment by a Clearing Member to an Executing Broker have been voided upon the acceptance by the Exchange of the Take-up Notification received from the Clearing Member, the consignment by the Clearing Member to the Executing Broker pertaining to such trades shall be deemed to be terminated.
5. The provisions of preceding paragraphs shall apply *mutatis mutandis* to the relationship between an Intermediary, etc. (meaning an Intermediaries and Foreign Commodity Futures Brokers; the same shall apply hereinafter) and a Member who consigned or requested intermediation of consignment to said Intermediary and the like.

#### **Article 40-4 (Conclusion of Give-up Agreement)**

1. In the case where a customer of the Executing Broker or the Clearing Broker or a Customer of Intermediary of the Executing Intermediary (meaning an Intermediary of the Executing Broker; the same shall apply hereinafter) or the Clearing Intermediary (meaning an Intermediary of the Clearing Broker; the same shall apply hereinafter) intends to consign a transaction or consign intermediation of consignment of a transaction pertaining give-up, the parties listed in each of the following items shall conclude a tri-party give-up agreement:
  - (1) Where a customer of the Executing Broker intends to consign a clearing with the Clearing Broker, the Executing Broker, the Clearing Broker, and the customer;
  - (2) Where a customer of the Executing Broker intends to consign intermediation of consignment of a clearing with the Clearing Intermediary, the Executing Broker, the Clearing Intermediary, and the customer;
  - (3) Where a customer of the Executing Broker intends to make a request to the Clearing Foreign Commodity Futures Broker (meaning a customer of the Clearing Broker or a Foreign Commodity Futures Broker who is a Customer of Intermediary of the Clearing Intermediary; the same shall apply hereinafter) for intermediation of consignment of a clearing or intermediation of consignment of intermediation of consignment of a clearing, the Executing Broker, the Clearing Foreign Commodity Futures Broker, and the customer;

- (4) Where a Customer of Intermediary of the Executing Intermediary intends to consign a clearing with the Clearing Broker, the Executing Intermediary, the Clearing Broker, and the Customer of Intermediary;
  - (5) Where a Customer of Intermediary of the Executing Intermediary intends to consign intermediation of consignment of a clearing with the Clearing Intermediary, the Executing Intermediary, the Clearing Intermediary, and the Customer of Intermediary;
  - (6) Where a Customer of Intermediary of the Executing Intermediary intends to make a request to the Clearing Foreign Commodity Futures Broker for intermediation of consignment of a clearing or intermediation of consignment of intermediation of consignment of a clearing, the Executing Intermediary, the Clearing Foreign Commodity Futures Broker, and the Customer of Intermediary;
  - (7) Where a customer of the Clearing Broker intends to make a request to the Executing Foreign Commodity Futures Broker (meaning a customer of the Executing Broker or a Foreign Commodity Futures Broker who is a Customer of Intermediary of the Executing Intermediary; the same shall apply hereinafter) for intermediation of consignment of an execution or intermediation of consignment of intermediation of consignment of an execution, the Executing Foreign Commodity Futures Broker, the Clearing Broker, and the customer;
  - (8) Where a Customer of Intermediary of the Clearing Intermediary intends to make a request to the Executing Foreign Commodity Futures Broker for intermediation of consignment of an execution or intermediation of consignment of intermediation of consignment of an execution, the Executing Foreign Commodity Futures Broker, the Clearing Intermediary, and the Customer of Intermediary;
  - (9) Where a customer of the Executing Broker makes a request to a Foreign Commodity Futures Broker for a clearing and said Foreign Commodity Futures Broker carries out the clearing through another Foreign Commodity Futures Broker, the Executing Broker, said Foreign Commodity Futures Broker, and the customer;
  - (10) Where a Customer of Intermediary of the Executing intermediary makes a request to a Foreign Commodity Futures Broker for a clearing and said Foreign Commodity Futures Broker carries out the clearing through another Foreign Commodity Futures Broker, the Executing Intermediary, said Foreign Commodity Futures Broker, and the Customer of Intermediary;
  - (11) Where a customer of the Clearing Broker makes a request to a Foreign Commodity Futures Broker for an execution and said Foreign Commodity Futures Broker carries out the transaction through another Foreign Commodity Futures Broker, the Clearing Broker, said Foreign Commodity Futures Broker, and the customer; and
  - (12) Where a Customer of the Clearing Intermediary makes a request to a Foreign Commodity Futures Broker for an execution and said Foreign Commodity Futures Brokers carries out the transaction through another Foreign Commodity Futures Broker, the Clearing Intermediary, said Foreign Commodity Futures Broker, and the Customer of Intermediary.
2. Notwithstanding the provisions of the preceding paragraph, in the case where a customer or Member who are Customers of Intermediary, etc. (meaning Customers of Intermediary and persons who make a request to a Foreign Commodity Futures Broker for intermediation of consignment of a transaction) intend to consign a transaction, or intermediation of consignment of a transaction or make a request for intermediation of consignment of a transaction or intermediation of consignment of intermediation of consignment of a transaction or intermediation of consignment of intermediation of consignment of a transaction pertaining to give-up on its own account, the parties listed in each of the following items shall conclude a two-party give-up agreement:
- (1) the Executing Broker and the Clearing Member;
  - (2) the Executing Intermediary and the Clearing Member;
  - (3) the Executing Foreign Commodity Futures Broker and the Clearing Member;
  - (4) the Clearing Broker and the Executing Member;
  - (5) the Clearing Intermediary and the Executing Member; and
  - (6) the Clearing Foreign Commodity Futures Broker and the Executing Member.
3. When an agreement prescribed in the preceding two paragraphs is concluded, the agreement

shall provide the matters listed in each of the following items:

- (1) The amount of Brokerage Commission, the party who is responsible for collecting the Brokerage Commission, and the method of collection;
- (2) Matters concerning the handling of a situation in which no Take-up Notification is issued by the Clearing Broker or the Clearing Trading Members, etc.; and
- (3) Matters concerning the reporting on the details of transactions to pertaining to give-up.

#### **Article 40-5 (Instructions for Consignment of Transactions Pertaining to Give-up)**

1. Each time a customer intends to consign a transaction pertaining to give-up based on Article 40-2, the customer shall provide the Executing Broker with instructions on the matters set forth in each of the following items, in addition to the matters set forth in each item of Article 6.1:
  - (1) The fact that said transaction pertains to give-up; and
  - (2) Name of the Clearing Broker.
2. Notwithstanding the provisions of the preceding paragraph, if the customer has agreed with the Executing Broker with respect to the cut-off time for the instructions prescribed in the preceding paragraph to be provided, the customer shall provide the Executing Broker with the instructions on the matters set forth in each item of the preceding paragraph at any time before such cut-off time.
3. The cut-off time prescribed in the preceding paragraph shall be no later than the close of the day session of the third business day after the Clearing Period in which the trade was executed.
4. The provisions of preceding three paragraphs shall apply *mutatis mutandis* to the instructions required for consignment and/or request for intermediation of consignment of transactions through a give-up of proprietary transactions of Clearing Member provided for in Article 40-3. In this case, the terms “customer” and “Executing Broker” shall be deemed to be replaced with “Clearing Member” and “Executing Broker or Intermediary, etc.” respectively.

#### **Article 40-6 (Cancellation of Give-up)**

1. A customer (including cases where the customer of the Executing Broker and the customer of the Clearing Broker are different; the same shall apply only to this article) may cancel the give-up as prescribed in the Market Rules subject to the approval of the Executing Broker and the Clearing Broker as well as the Exchange.
2. The cut-off time for the submission of application for cancelation of give-up prescribed in the preceding paragraph shall be no later than the close of the day session of the third business day after the Clearing Period in which the trade was executed.
3. The matters pertaining to the cancelation of give-up prescribed in the preceding two paragraphs shall apply *mutatis mutandis* to the give-up by Member on their own account prescribed in Article 40-3.

#### **Article 40-7 (Special Provision for the Give-up of Remote Broker Members)**

1. The provisions of Article 40 through Article 40-6 shall apply to the Remote Broker Members and the overseas customers provided for in Market Rules.
2. The Exchange shall provide necessary instruction in cases specified in the following items:
  - (1) Where the overseas customer intends to transfer its' positions executed by the Remote Trade Member to the Accepting Broker Member;
  - (2) Where the customer intends to transfer its' positions from Executed Broker Member to the Remote Broker Member;
  - (3) Where the Remote Trade Member intends to transfer its' proprietary position to the Accepting Broker Member; and
  - (4) Where the Remote Broker Member intends to transfer its' position executed by the Broker Member to its proprietary account.

## **Chapter 9 Special Provisions for Commodity Markets**

### **Section 1 Special Provisions for Precious Metals Market**

#### **Article 41 (Special Provisions for Settlement by Delivery)**

1. In cases where a customer intends to settle short positions by making delivery, the customer shall provide the precious metals bullion and have it made available to an appraiser designated by the Exchange ("Approved Appraiser"), for appraisal no later than seven (7) business days prior to the Last Trading Day of the Current Contract Month (or, if the customer has given instructions on the instruction day to the effect that the customer intends to settle the positions by delivery pursuant to the provision of Article 15.4, by the date and time determined by the Broker Member). Customers not requiring a warehouse receipt to be issued shall indicate such preference.
2. In the case prescribed in the preceding paragraph, if a customer is informed by the Approved Appraiser that the precious metals bullion being offered for delivery falls under a Good Delivery material, the customer shall receive, without delay, a warehouse receipt (or cargo certificate in cases where the customer has indicated that it does not require issuance of a warehouse receipt), issued by the warehouse designated by the Exchange from the Approved Appraiser.
3. The provisions of the preceding two paragraphs shall not apply to persons designated by the Exchange.
4. In addition to those prescribed in each of the preceding paragraphs, the Market Rules of the Exchange shall apply *mutatis mutandis* to matters necessary for the handling of delivery.

#### **Article 41-2 (Special Provision for Placement or Deposit of Clearing Margins)**

1. A customer intending to settle platinum transactions by Declared Delivery shall place or deposit the Delivery Clearing Margin, the amount determined by the Exchange, on the day the amount is determined. However, the customer making delivery is no longer required to deposit said Delivery Clearing Margin as from the delivery day, and a customer taking delivery is no longer required to deposit the said Delivery Clearing Margin as from the day on which the customer places the delivery payment, and the amount corresponding to consumption tax applicable to the delivery payment with the Broker Member.

#### **Article 41-3 (Special Provision for Settlement by Offset)**

1. With respect to Cash-settled Monthly Futures Transactions in gold or platinum (meaning Cash-settled Monthly Futures Transactions prescribed in Market Rules), consigned to a Broker Member pertaining to the current contract month, if resale or repurchase of positions pertaining to such transactions has not been carried out by the customer by the Last Trading Day of the Current Contract Month, the Exchange shall settle such transactions in the account of the said customer on the Final Settlement Day of the Current Contract Month, at the price determined by the Exchange. In this case, such settlement shall be deemed to have been carried out by the said Broker Member in the account of the said customer.

### **Section 2 Special Provisions for Oil Market**

#### **Article 42 (Special Provision for Placement or Deposit of Clearing Margins)**

1. A customer intending to settle transactions by delivery shall place or deposit the Delivery Clearing Margin, the amount determined by the Exchange, during the period from the Last Trading Day of the Current Contract Month (or, in the case of Delivery on Request of Cash-settled Rolling Spot Futures Transaction or Declared Delivery, the day on which the

amount of the Delivery Clearing Margin is determined), to the day designated by the Exchange. However, a customer with a long position is not required to deposit Delivery Clearing Margin, if the customer has placed the Total Trading Value pertaining to the said delivery with the Broker Member by 4:00 p.m. on the business day immediately preceding the Last Trading Day of the Current Contract Month (or, if the customer has given instructions on the instruction day to the effect that the customer intends to settle the positions by delivery pursuant to the provisions of Article 15.4, by the date and time determined by the Broker Member pursuant to the provisions of Article 16.1).

**Article 43** Deleted

**Article 44 (Special Provision for Settlement by Offset)**

1. With respect to transactions in Cash-settled Monthly Futures Transaction, consigned to a Broker Member, pertaining to the current contract month, if resale or repurchase of positions pertaining to such transactions has not been carried out by the customer by the Last Trading Day of the Current Contract Month, the Exchange shall settle such transactions in the account of the said customer, on the Final Settlement Day of the Current Contract Month, at the price calculated based on the method prescribed by the Exchange. In this case, such settlement shall be deemed to have been carried out by the said Broker Member in the account of the said customer.

**Article 45 (Special Provisions for Settlement by Delivery of Gasoline and Kerosene)**

1. Notwithstanding the provisions of Article 16, settlement of transactions in gasoline and kerosene by making or taking delivery shall be handled in accordance with the provisions of this article.
2. The following provisions shall apply to a customer making delivery:
  - (1) The customer shall place a written statement that the customer will settle the short position by delivery, shipping request etc., with the Broker Member by 4:00 p.m. on the business day immediately preceding the Last Trading Day of the Current Contract Month (or, in the case where the customer gave instructions for settlement by delivery on the instruction day pursuant to the provisions of Article 15.4, by the date and time determined by the Broker Member). However, the Broker Member may receive the deposit of an amount equivalent to the Total Trading Value pertaining to the said short position as Delivery Clearing Margin from the customer making delivery in lieu of the shipping request etc.;
  - (2) In cases where the customer making delivery has placed or deposited the amount equivalent to the Total Trading Value, pertaining to the said short position as Delivery Clearing Margin, in lieu of the shipping request etc., the customer shall place the shipping request etc. with the Broker Member by 4:00 p.m. on the business day falling two (2) business days before the delivery day of the current contract month; and
  - (3) Notwithstanding the provisions of Item 1, a customer deemed eligible by the Broker Member may place the shipping request etc. with the Broker Member by 4:00 p.m. on the business day falling two (2) business days before the delivery day of the current contract month.
3. The following provisions shall apply to a customer taking delivery:
  - (1) The customer shall place the Total Trading Value pertaining to the long position (including the amount of the gasoline tax and local gasoline tax added in proportion to the delivery quantity in case of gasoline (hereinafter collectively referred to as "gasoline tax"); the same shall apply hereinafter in this article) with the Broker Member by 4:00 p.m. on the business day immediately preceding the Last Trading Day of the Current Contract Month (or, in the case where the customer gave instructions for settlement by delivery on the instruction day pursuant to the provisions of Article 15.4, by the date and time determined by the Broker Member);

- (2) Notwithstanding the provisions of the preceding item, a customer deemed eligible by the Broker Member may place the Total Trading Value pertaining to the long position with the Broker Member by 4:00 p.m. on the business day falling two (2) business days before the delivery day of the current contract month;
  - (3) The customer shall place the amount corresponding to the consumption tax applicable to the delivery payment for the long position (including gasoline tax, the same shall apply hereinafter in this article) with the Broker Member by 4:00 p.m. on the business day falling two (2) business days before the delivery day of the current contract month; and
  - (4) The customer shall issue a delivery completion notice to the Broker Member by noon on the business day falling two business days after the delivery day.
4. In the event that the customer making delivery fails to place the items prescribed in Paragraph 2, Item 1, or the customer taking delivery fails to place the items prescribed in Paragraph 3, Item 1, by 4:00 p.m. on the business day immediately preceding the Last Trading Day (or, in the case where the customer gave instructions for settlement by delivery on the instruction day pursuant to the provisions of Article 15.4, by the date and time determined by the Broker Member) with the Broker Member, the Broker Member shall dispose of such positions by resale or repurchase in the account of said customer during a trading session, as from such cut-off time (or, in the case where the customer gave instructions for settlement by delivery on the instruction day pursuant to the provisions of Article 15.4, and the customer fails to place the said items by the date and time determined by the Broker Member, as from such date and time).
5. In the event that a customer fails to perform his/her delivery obligations, the Broker Member may dispose of the shipping request etc. and the delivery payment that has been obtained by delivery, conducted in the commodity markets of the Exchange, in the account of such customer.
6. A Broker Member shall follow the following procedure for transactions consigned to the Broker Member to be settled by delivery (including the case where part of the delivery has been completed):
  - (1) The Broker Member shall deliver the shipping request etc., received in connection with delivery in the commodity markets of the Exchange, to a customer taking delivery by the business day immediately preceding the delivery day;
  - (2) In the event that several commodities with different specifications are allocated for delivery in the commodity markets of the Exchange, and if there are two (2) or more customers taking delivery, such commodities shall be allocated in a fair manner by lottery or other method; and
  - (3) The Broker Member shall deliver, without delay, to a customer making delivery the delivery payment and the amount corresponding to the consumption tax applicable to the delivery payment (hereinafter in this article collectively referred to as "Delivery Payment etc."), received in connection to delivery in the commodity markets of the Exchange.
7. In cases where an excess or deficiency exists between the delivery quantity and the weight of the delivery goods within the range determined by the Exchange, the Broker Member shall receive/pay the Delivery Payment etc. with respect to such excess or deficiency in accordance with the following provisions:
  - (1) In the case of excess weight of the delivery goods, the Broker Member shall:
    - A. Receive the deposit of the Delivery Payment etc. for the excess from the customer taking delivery by 10:00 a.m. on the business day falling three (3) business days after the delivery day of the current contract month; and
    - B. Pay the Delivery Payment etc. for the excess to the customer making delivery in accordance with the provisions of Item 3 of the preceding paragraph;
  - (2) In the case of deficient weight of the delivery goods, the Broker Member shall:
    - A. Pay the Delivery Payment etc. for the deficiency to the customer taking delivery, without delay, after receiving it in connection with delivery in the commodity markets of the Exchange; and
    - B. Pay the Delivery Payment etc. to the customer making delivery, after deducting the portion pertaining to the deficiency, from it in accordance with the provisions of Item 3 of the preceding paragraph.

8. In addition to those prescribed in each of the preceding paragraphs, the Market Rules of the Exchange shall apply *mutatis mutandis* to matters necessary for the handling of delivery.

#### **Article 46 (Special Provisions for Settlement by Delivery of Gas Oil)**

1. Notwithstanding the provisions of Article 16, settlement of transactions in gas oil by making or taking delivery shall be handled in accordance with the provisions of this article.
2. Customers qualifying for settlement of transactions in gas oil by delivery shall be those making delivery who fall under Item 1 (including those who fall under Item 2 only in cases where the transaction is to be settled by Declared Delivery based on the Market Rules), and those taking delivery who fall under any of the following items, provided that they have submitted a written agreement on the notification to be made by the Exchange, pursuant to the provisions of Article 60 of the Market Rules regarding the delivery of gas oil (excluding customers who are Members); provided, however, that Customer of Intermediaries are excluded:
  - (1) Oil Company (an oil company prescribed in Article 144.1.2 of the Local Tax Act (Act No. 226 of 1950) that is also the registered tax collecting person prescribed in Article 144-15.3 thereof (“Registered Tax Collecting Person”));
  - (2) Gas Oil Delivery Agents (Exclusive Agents (meaning exclusive agents prescribed in Article 144.1.3 of the Local Tax Act who are also Registered Tax Collecting Persons) who are registered with the Exchange in accordance with the “Gas Oil Delivery Agent Registration Procedure” prescribed by the Exchange);
  - (3) Gas Oil Dealers (persons who engage commercially in buying and selling of gas oil prescribed by the Oil Delivery Detailed Rules); or
  - (4) Gas Oil Users (persons who engage commercially in the use, etc. of gas oil).
3. The number of lots delivered from or to the persons prescribed in each item of the preceding paragraph shall not exceed the upper limit pertaining to gas oil delivery prescribed by the Exchange in the Oil Delivery Detailed Rules.
4. In the case where a transaction consigned to a Broker Member falls under any of the following items, the Broker Member shall dispose of the whole or part of such transaction as prescribed in the respective item in the customer’s account by resale or repurchase during a trading session as from 4:00 p.m. on the business day immediately preceding the Last Trading Day of the Current Contract Month (or, in the case where the customer gave instructions for settlement by delivery on the instruction day pursuant to the provisions of Article 15.4, as from the instruction day):
  - (1) Where the customer is not the person prescribed in Paragraph 2, the whole of such transaction; or
  - (2) Where the number of lots of a customer transaction prescribed in Paragraph 2, exceeds the upper limit pertaining to gas oil delivery prescribed by the Oil Delivery Detailed Rules, part of such transaction corresponding to the excess.
5. In settling a transaction consigned to a Broker Member in gas oil by delivery, the Broker Member shall each time confirm that the customer who consigned said transaction falls under Paragraph 2.
6. A Broker Member shall, in the case where its customer intends to settle his/her transaction by delivery, notify the Member who will be the counterparty to the said delivery of the name, office address, and contact of the said customer, the delivery quantity, the delivery point, and the delivery day prior to the completion of the said delivery.
7. A Broker Member shall, upon receipt of the notification prescribed in the preceding paragraph from the counterparty to the said delivery, notify the customer who will be the party of the said delivery of the contents thereof without delay.
8. A customer shall, upon receipt of the notification prescribed in the preceding paragraph, confirm the contents thereof, sign and seal the delivery party’s written confirmation certifying the contents, and then submit the written confirmation to the Broker Member to whom the transaction is consigned.
9. A Broker Member who intends to accept consignment of a transaction pertaining to the delivery of gas oil shall obtain the consent of the customer on the requirements prescribed in the preceding three paragraphs in advance.

10. In addition to those prescribed in each of the preceding paragraphs, provisions of each paragraph of the preceding article shall apply *mutatis mutandis* to the matters necessary for the handling of delivery.

**Article 46-2 (Special Provisions for Settlement by Delivery of Cash-settled Monthly Futures Transactions)**

1. A customer intending to consign Delivery on Request of Cash-settled Monthly Futures Transaction shall provide the instructions to a Broker Member. In such case, the instructions shall include the matters set forth by the Broker Member and shall be issued to such Broker Member before the cut-off time set by the Broker Member.
2. An approval of the Exchange is required to do the Delivery on Request on Cash-settled Monthly Futures Transaction.
3. In addition to those prescribed in each of the preceding paragraphs, provisions of Market Rules shall apply *mutatis mutandis* to the matters necessary for the Delivery on Request of Cash-settled Monthly Futures Transaction.

**Article 47 (Notification of Settlement by Delivery)**

1. When a transaction consigned to a Broker Member is settled by delivery (including the case where only part of the delivery has been completed), the Broker Member shall notify the customer of the following matters in writing without delay, notwithstanding the provisions of Article 21 but in accordance with the provisions of this article:
  - (1) Type of transaction;
  - (2) Type and kind of the listed commodity component product;
  - (3) Contract month;
  - (4) Date of buy or sell;
  - (5) Number of lots (delivery quantity);
  - (6) Delivery point;
  - (7) Delivery day;
  - (8) Execution Price etc. of the executed transaction;
  - (9) Price differential by grades (shipment differential);
  - (10) Delivery payment (including gasoline tax in the case of the delivery of gasoline, or gas oil delivery tax in the case of the delivery of gas oil subject to such tax);
  - (11) Delivery price and the consumption tax applicable to the delivery payment;
  - (12) Any miscellaneous expenses;
  - (13) Brokerage Commission on new buy or sell orders and brokerage Commission on delivery; and
  - (14) Net amount of payment and receipt.
2. Provisions of Article 18.6 and Article 18.7 shall apply *mutatis mutandis* to the written notice prescribed in the preceding paragraph.
3. Provisions of the proviso clause of Article 220.1 and the provisions of Article 220-4 of the Act shall apply *mutatis mutandis* to the writing notice under paragraph 1.

**Section 2-2 Special Provisions for Chukyo-Oil Market**

**Article 47-2 (Special Provision for Chukyo-Oil Market)**

1. The provisions of Article 42, Article 45 and Article 47 shall apply *mutatis mutandis* to the disposition of Chukyo-Oil Market. In this case, the terms “gasoline tax in the case of the delivery of gasoline, or gas oil delivery tax in the case of the delivery of gas oil subject to such tax” shall be deemed to be replaced with “gasoline tax in the case of the delivery of gasoline” respectively.

### **Section 3 Special Provisions for Aluminum Market**

#### **Article 48 (Special Provision for Placement or Deposit of Clearing Margins)**

1. The amount of the Delivery Clearing Margin shall be determined by the Exchange. A customer intending to settle transactions by Declared Delivery shall place or deposit the Delivery Clearing Margin, the amount determined by the Exchange, on the day the amount is determined. However, the customer making delivery is no longer required to deposit the said Delivery Clearing Margin as from the day on which the customer places the warehouse receipt with the Broker Member, and a customer taking delivery is no longer required to deposit the said Delivery Clearing Margin as from the day on which the customer places the delivery payment, and the amount corresponding to consumption tax applicable to the delivery payment with the Broker Member.

### **Section 4 Special Provisions for Agricultural Products & Sugar Market**

#### **Article 49 (Special Provision for Settlement by Delivery of Soybeans)**

1. Notwithstanding the provisions of Article 16, settlement of transactions in soybeans by making or taking delivery shall be handled in accordance with the provisions of this article.
2. A customer shall place or deposit the Delivery Clearing Margin, the amount determined by the Exchange, during the period from the Last Trading Day of the Current Contract Month (or, in the case of Early Delivery or Declared Delivery, the day on which the amount of the Delivery Clearing Margin is determined), to the day designated by the Exchange.
3. If, after a customer placed or deposited the Delivery Clearing Margin prescribed in the preceding paragraph, the Exchange changes the standard amount of the Delivery Clearing Margin, the customers on both sell and buy sides or the customer on either side shall place an additional amount of Delivery Clearing Margin based on the request by the Broker Member.
4. A Broker Member shall retain the Delivery Clearing Margin placed or deposited pursuant to the provisions of the preceding two paragraphs until the day on which the adjustment of the delivery payment and other relevant amounts is completed.
5. For the settlement of positions by delivery, a customer shall deliver a warehouse receipt corresponding to his/her short positions, to be settled to the Broker Member, or deliver the Total Trading Value corresponding to his/her long positions, to be settled, together with the amount equivalent to the consumption applicable to the delivery payment, to the Broker Member by 4:00p.m. on the business day immediately preceding the delivery day.
6. Upon completion of delivery in the commodity markets of the Exchange with respect to customer positions settled by delivery, a Broker Member shall pay delivery payment, together with the amount corresponding to the applicable consumption tax, to a customer making delivery and deliver the warehouse receipt received for delivery in the commodity markets of the Exchange to a customer taking delivery, without delay.
7. Notwithstanding the provisions of Paragraph 5, a customer intending to settle soybean transactions by Declared Delivery or Customized Delivery may settle its positions by delivery without using the warehouse receipt subject to the consent of the buyer. In this case, the customer shall notify the Broker Member to that effect without delay.
8. In addition to those prescribed in each of the preceding paragraph, the Market Rules of the Exchange shall apply to matters necessary for the handling of delivery of soybeans.

#### **Article 49-2 (Special Provision for Settlement by Delivery of Corn or Raw Sugar)**

1. Notwithstanding the provisions of Article 16 and Article 21, settlement of transactions in corn and raw sugar by making or taking delivery shall be handled in accordance with the provisions of this article.
2. A customer shall place or deposit the Delivery Clearing Margin, the amount determined by the

- Exchange, during the period from the Last Trading Day of the Current Contract Month (or, in the case of Early Delivery, the day on which the amount of the Delivery Clearing Margin is determined), to the day designated by the Exchange.
3. If, after a customer placed or deposited the Delivery Clearing Margin prescribed in the preceding paragraph, the Exchange changes the standard amount of the Delivery Clearing Margin, the customers on both sell and buy sides or the customer on either side shall place or deposit an additional amount of Delivery Clearing Margin based on the request by the Broker Member.
  4. A Broker Member shall retain the Delivery Clearing Margin placed or deposited pursuant to the provisions of the preceding two paragraphs until the day on which the adjustment of the delivery payment and other relevant amounts is completed.
  5. For the settlement of positions by delivery, a customer shall deliver a delivery document corresponding to his/her short positions, to be settled to the Broker Member, or deliver the Total Trading Value corresponding to his/her long positions, to be settled to the Broker Member by 4:00 p.m. on the business day immediately preceding the delivery day.
  6. Upon completion of delivery in the commodity markets of the Exchange with respect to customer positions settled by delivery, a Broker Member shall pay delivery payment to a customer making delivery and deliver the delivery document received for delivery in the commodity markets of the Exchange to a customer taking delivery, without delay.
  7. When a transaction consigned to a Broker Member is settled by delivery pursuant to the provisions of the preceding paragraph, the Broker Member shall notify the customer of the following matters in writing without delay:
    - (1) Type of transaction;
    - (2) Kind of the listed commodity component product (in the case of raw sugar, the name of the sugar-producing country and the sugar-producing year);
    - (3) Contract month;
    - (4) Date of buy or sell;
    - (5) Quantity;
    - (6) Name of the arriving vessel;
    - (7) Date of departure (in the case of raw sugar, date of arrival);
    - (8) Names of the delivery port and wharf;
    - (9) Execution price of the executed transaction;
    - (10) Price differential by grades;
    - (11) Delivery payment;
    - (12) Delivery price;
    - (13) Any miscellaneous expenses;
    - (14) Brokerage Commission on new buy or sell orders and Brokerage Commission on delivery; and
    - (15) Net amount of payment and receipt.
  8. The provisions of the proviso clause of Article 220.1 of the Act and the provisions of Article 220-4 of the Act shall apply mutatis mutandis to the notification prescribed in the preceding paragraph.
  9. The provisions of Article 18.6 and Article 18.7 shall apply mutatis mutandis to the notification in writing prescribed in Paragraph 7.
  10. In addition to those prescribed in each of the preceding paragraph, the Market Rules of the Exchange shall apply to matters necessary for the handling of delivery of corn or raw sugar.

## **Section 4 Special Provisions for ADP**

### **Article 49-3 (Consignment of ADP)**

1. A customer intending to consign ADP prescribed in Market Rules of the Exchange shall provide the instructions to a Broker Member. In such case, the instructions shall include the matters set forth by the Broker Member and shall be issued to such Broker Member before

- the cut-off time set by the Broker Member.
2. An approval of the Exchange is required to do the ADP.
  3. In addition to those prescribed in each of the preceding paragraph, the Market Rules of the Exchange shall apply to matters necessary for the handling of ADP.

## **Chapter 9-2 Special Provisions for Cash-settled Rolling Spot Futures Transactions**

### **Article 49-4 (Instructions for Consignment of Transactions of Cash-settled Rolling Spot Futures Transactions)**

1. Notwithstanding the provisions of Article 6, with every order for a consignment of Cash-settled Rolling Spot Futures Transactions, a customer shall provide the following instructions to a Broker Member:
  - (1) Type of transaction;
  - (2) Type of the listed commodity component product;
  - (3) Buy or sell;
  - (4) New or offsetting;
  - (5) Quantity;
  - (6) Type of order (which may include order validity and/or order type depending on the type of order)
  - (7) Date and time at which the transaction is to be executed (which may include the effective period of the order depending on the type of order and order validity) and, if the order is a limit order, the relevant limit price; and
  - (8) Other matters prescribed by the Broker Member.
2. Notwithstanding the provisions of the preceding paragraph, a customer is not required to provide the instructions prescribed in Item 4 of the same paragraph with every order, if, with respect to said instructions, the Broker Member has agreed to handle the order from the customer in accordance with the method instructed by the customer in advance. In this case, the Broker Member shall handle the customer order in accordance with the method instructed by the customer with respect to the said instructions.

### **Article 49-5 (Handling of Cases Where Resale or Repurchase Is Not Carried Out)**

1. In the case where with respect to an Cash-settled Rolling Spot Futures Transactions consigned to a Broker Member resale or repurchase is not carried out on the day on which the position is outstanding (meaning a day separately specified for each Clearing Period determined by the Clearing House; the same shall apply hereinafter in this Article), a position where its Contract Day coincides with said day on which the position is outstanding shall be expired at the close of the day session of said day on which the position is outstanding and a new position, which has the same terms as the expired position (with the Contract Day being the following day (meaning a day separately specified for each Clearing Period determined by the Clearing House)), shall be simultaneously established.

### **Article 49-6 (Prohibition on Discretionary Trading in Cash-settled Rolling Spot Futures Transactions)**

1. The provisions of each item of Article 25.1 shall apply *mutatis mutandis* to prohibition on discretionary trading in Cash-settled Rolling Spot Futures Transactions. In this case, the phrase "each item of Article 6.1" in Article 25 shall be deemed to be replaced with "each item of Article 49-4.1."

### **Article 49-7 (Special Provisions for Discretionary Transactions under Eligible**

**Consent, etc. in Cash-settled Rolling Spot Futures Transactions)**

1. The provisions of Article 6-3 shall apply *mutatis mutandis* to Cash-settled Rolling Spot Futures Transaction. In this case, the phrase “the matters listed in each item of Article 6-1.1 (in the case of Item 8, excluding the price or the execution value) in advance, in cases where a Broker Member concludes with the Eligible Consignor or the Eligible Commercial Person an agreement under which the Broker Member may determine the matters listed in Item 8 (limited to the price or the execution value)” in Article 6-4.1 shall deemed to be replaced with “the matters listed in each item of Article 49-4.1 (in the case of Item 7, excluding the price or the execution value) in advance, in cases where a Broker Member concludes with the Eligible Consignor or the Eligible Commercial Person an agreement under which the Broker Member may determine the matters listed in Item 7 (limited to the price or the execution value)” and the phrase “the matters listed in Item 1 through Item 5 and Item 7 through Item 9 of Article 6-1.1 (in the case of Item 8, excluding the price or the execution value), and the availability of said Broker Member to determine either of the matters listed in Item 6 or Item 8 of Article 6-1.1 (in the case of Item 8, limited to the price or the execution value)” in Article 6-4.2 shall deemed to be replaced with “the matters listed in Item 1 through Item 4 and Item 6 through Item 8 of Article 49-4.1 (in the case of Item 7, excluding the price or the execution value), and the availability of said Broker Member to determine either of the matters listed in Item 5 or Item 7 of Article 49-4.1 (in the case of Item 7, limited to the price or the execution value)”.

**Article 49-8 (Special Provisions for Settlement by Delivery in Cash-settled Rolling Spot Futures Transactions)**

1. In cases where a customer intends to settle his/her Contract Day Cash-settled Futures Transaction by delivery, the selling customer shall take necessary procedures to sell determined in the Market Rules of the Exchange, while the purchasing customer shall deliver the Total Trading Value for buy to the Broker Member. In this case, upon completion of the delivery, the purchasing customer shall deliver the amount equivalent to consumption tax applicable to the delivery payment for the buy by the date and time designated by the Broker Member but no later than noon of the business day following the day on which the delivery is completed.
2. Upon completion of the delivery at the commodity market of the Exchange, the Broker Member shall deliver sales proceeds plus the amount equivalent to consumption tax applicable to sales proceeds to the selling customer without delay, or gold bars or the Warehouse Receipt for Gold and the Warehouse Receipt for Platinum to the purchasing customer.
3. In addition to the provisions of the preceding two paragraphs, other necessary matters regarding delivery shall be determined in the Market Rules of the Exchange.

**Chapter 10 Special Provisions for Options Transactions**

**Section 1 Brokerage of Options Transactions**

**Article 50 (Options Transactions)**

1. This chapter provides for Special Provisions for the brokerage of options transactions.
2. Matters not prescribed in this chapter shall be handled in accordance with the provisions in Chapters 1 through 8.

**Article 51 (Definitions)**

1. In this chapter, the meaning of the terms set forth in each of the following items shall be as

prescribed in each of the respective items:

- (1) "Final Clearing Option Price" means the first execution price of a Physically Delivered Futures Transaction, which has the same contract month of the same product, after opening the day session of the Last Trading Day of the Current Contract Month, or the price designated by TOCOM.
  - (2) "Exercise" means exercising an put option or call option prescribed in Item 7.
  - (3) "Exercise Price" means the price separately determined in advance by the Exchange as the price for Exercise.
  - (4) "Execution Price Unit Multiplier" means a numerical value obtained by dividing an execution price unit by a Price Quotation.
  - (5) "Options Transaction Payment" means an amount obtained by multiplying an execution price by an Execution Price Unit Multiplier and the quantity of execution.
  - (6) "Exercise Price Differential" means an amount obtained by multiplying the difference between a Final Clearing Option Price and an Exercise Price by an Execution Price Unit Multiplier.
  - (7) "Put Option" means an option that executes a transaction in which a person who acquired option right receives from a counterparty an amount obtained by multiplying the difference between a Final Clearing Option Price and an Exercise Price by an Execution Price Unit Multiplier, when the Final Clearing Option Price becomes lower than the Execution Price.
  - (8) "Call Option" means an option that executes a transaction in which a person who acquired option right receives from a counterparty an amount obtained by multiplying the difference between a Final Clearing Option Price and an Exercise Price by an Execution Price Unit Multiplier, when the Final Clearing Option Price becomes higher than the Execution Price.
  - (9) "Option Series" means a series of options classified by the type of listed commodity component product for Physically Delivered Futures Transactions, whether they are Put Options or Call Options, contract month, and Exercise Price.
  - (10) "Last Trading Day" means a business day preceding the Last Trading Day of the Current Contract Month of a Physically Delivered Futures Transaction that has the same contract month.
  - (11) "Exercise Date" means a business day following the Last Trading Day.
  - (12) "Allotment of Exercised Positions" means the proportional allotment by the Exchange of short positions to be exercised, in a manner prescribed by the Market Rules of the Exchange, to the members holding short positions in Option Series.
  - (13) "Sale of Option" means a transaction in which the party takes a short position in the option.
  - (14) "Purchase of Option" means a transaction in which the party takes a long position in the option.
2. Provisions in each item of Article 2 shall apply *mutatis mutandis* to Options Transactions.

## **Article 52 (Instructions for Consignment of Transactions)**

1. Notwithstanding the provisions of Article 6, with every order for a consignment of Options Transactions, a customer shall provide the following instructions to a Broker Member:
  - (1) Type of transaction;
  - (2) Option Series;
  - (3) Buy or sell;
  - (4) New or offsetting;
  - (5) Quantity;
  - (6) Type of order (which may include order validity and/or order type depending on the type of order)
  - (7) Date and time at which the transaction is to be executed (which may include the effective period of the order depending on the type of order and order validity) and, if the order is a limit order, the relevant limit price; and
  - (8) Other matters prescribed by the Broker Member.

2. Notwithstanding the provisions of the preceding paragraph, a customer is not required to provide the instructions prescribed in Item 4 of the same paragraph with every order, if, with respect to said instructions, the Broker Member has agreed to handle the order from the customer in accordance with the method instructed by the customer in advance. In this case, the Broker Member shall handle the customer order in accordance with the method instructed by the customer with respect to the said instructions.
3. When there are two (2) or more existing Options Transactions corresponding to the resale or repurchase Options Transactions based on the instruction described in Paragraph 1, such transactions shall be resold or repurchased in chronological order, with priority assigned to the oldest transaction, unless otherwise instructed by the customer.

## **Section 2 Deleted**

**Article 53** Deleted

**Article 54** Deleted

**Article 55** Deleted

## **Section 3 Settlement of Options Transactions**

### **Article 56 (Settlement of Transaction Payment)**

1. The customer consigned new purchase, repurchase or allotted exercise position of options shall deposit the Option transaction payment or the Exercise price differential with the Broker Member by the date and time designated by the Broker Member, provided that it is no later than noon on the business day immediately following the day on which the transaction pertaining to the said consignment is executed (meaning a day separately specified for each Clearing Period determined by the Clearing House) or the exercised day.
2. Notwithstanding the provisions of Paragraph 1, a Broker Member may accept the placement from a customer intending to consign new purchase or repurchase of options the amount equivalent to the transaction payment prescribed in advance by the Broker Member.
3. The Broker Member may appropriate any of the following monies to the Options Transaction Payment or the Exercise Price Differential regarding an Options Transaction to be delivered by the customer to the Broker Member pursuant to the provisions of the preceding two paragraphs on the date on which the customer should make such delivery.
  - (1) Money from the Excess Amount of Deposited Margin. In this case, the Excess Amount of Deposited Margin shall be calculated after deducting the "Outstanding Amount payable/receivable for Options Contract" from the Cash Amount to be received or paid by a Customer pursuant to the provisions of Article 2.1.15.
  - (2) Money equivalent to the Book Profit prescribed in Article 11-3.1, if any
4. The provisions of previous 3 paragraphs shall apply *mutatis mutandis* to the disposition of transactions consigned to Broker Members, prescribed in Article 14.1, Article 24-1, Article 24-2, Article 24-3, Articles 26.1, Article 26.2 or Article 26.3, or Article 37-2.

**Article 57** Deleted

### **Article 58 (Settlement by Exercise)**

1. When a customer who consigned a buy of option intends to exercise the option for the Option Series of the current contract month at the closing session on the Last Trading Day, the customer shall provide a Broker Member with instructions on the exercise of option regarding the Options Transaction by the date and time designated by the Broker Member but no later

- than 5:00 p.m. on the Exercise Date.
2. In the case of any of the following events on the Exercise Date, the customer who consigned a buy of option may not provide the instructions prescribed in the preceding paragraph:
    - (1) When the Exercise Price is equivalent to or below the Final Clearing Option Price, in case of a Put Option; or
    - (2) When the Exercise Price is equivalent to or above the Final Clearing Option Price, in case of a Call Option.
  3. In the case of any of the following events on the Exercise Date, it shall be deemed that the instructions on the exercise of option have been provided even when the customer fails to provide such instructions by the deadline prescribed in Paragraph 1; provided, however, that this shall not apply to cases where the customer who consigned a buy of option notifies its intention not to exercise the option to the Broker Member by the date and time designated by the Broker Member but no later than 5:00 p.m. on the Exercise Date:
    - (1) When the Exercise Price is above the Final Clearing Option Price, in case of a Put Option; or
    - (2) When the Exercise Price is below the Final Clearing Option Price, in case of a Call Option.
  4. When a customer who consigned a Purchase of Option intends to exercise the option, the customer shall, on each such occasion, provide a Broker Member with instructions on the following matters by the date and time determined by the Broker Member:
    - (1) Option Series;
    - (2) Quantity; and
    - (3) Intention to exercise.
  5. Notwithstanding the provisions of the preceding paragraph, a customer is not required to provide the instructions prescribed in Item 2 of the same paragraph with every order, if, with respect to the said instructions, a Broker Member has agreed to handle the order from the customer in accordance with the method instructed by the customer in advance. In this case, the Broker Member shall handle the customer order in accordance with the method instructed by the customer.

#### **Article 59 (Allotment of Exercised Positions)**

1. A Broker Member to whom exercised positions have been allotted by the Exchange shall allot the number of short positions for the relevant Option Series that have been notified separately for member-customer positions and customer positions, by the Exchange, to such member-customer positions and customer positions in chronological order with priority assigned to the oldest position.
2. Pursuant to the provisions of previous paragraph, a customer may not lodge any objection against the allotment of exercised options.

#### **Article 60 Deleted**

#### **Article 61 (Expiration of Options Positions)**

1. On the Exercise Date, the positions of Option that have not been exercised shall be expired.

#### **Article 62 (Brokerage Commission)**

1. A customer shall pay a Broker Member a Brokerage Commission, determined by the Broker Member, upon the execution of Options Transactions (including disposition of transactions under Article 14.1, Article 24-1, Article 24-2, Article 24-3, Article 26.1, Article 26.2, Article 26.3, or Article 37-2), the exercise of options, the allotment of exercised positions, or if stated by a Broker Member.

**Article 63** Deleted

#### **Section 4 Customer Notifications Regarding Options Transactions**

**Article 64** Deleted

##### **Article 65 (Notice of Settlement by Exercise)**

1. When an option is exercised pursuant to the provisions of Article 58.1 (include the case that the instructions on the exercise of option have been deemed to be provided pursuant to the provisions of Article 58.3), a Broker Member shall notify the customer of the following matters and the matters prescribed in Article 109 of the Ministry Ordinance in writing without delay, except in the case where it would not be necessary to make such notification pursuant to the provisions of the proviso clause of Article 220.1 or in the case of exclusion from application prescribed in Article 220-4 of the Act:
  - (1) Type of transaction;
  - (2) Option Series;
  - (3) Positions pertaining to the purchased option that has been exercised;
  - (4) Quantity;
  - (5) Date of exercise;
  - (6) Exercise price differential;
  - (7) Brokerage Commission and Tentative Brokerage Commission;
  - (8) Outstanding balance of Deposited Margin.
2. The provisions of Articles 19.2 through 19.4 shall apply *mutatis mutandis* to the written notice prescribed in this article.

##### **Article 66 (Notice of Settlement by Allotment of Exercised Positions)**

1. When exercised positions are allotted pursuant to the provisions of Article 59.1, a Broker Member shall notify customers with short positions in Options Transactions of the following matters and the matters prescribed in Article 109 of the Ministry Ordinance in writing without delay:
  - (1) Type of transaction;
  - (2) Option Series;
  - (3) Short positions in Options Transactions to which exercised positions are allotted;
  - (4) Quantity;
  - (5) Day on which exercised options are allotted;
  - (6) Exercise price differential;
  - (7) Brokerage Commission and Tentative Brokerage Commission;
  - (8) Outstanding balance of Deposited Margin.
2. The provisions of Articles 19.2 through 19.4 shall apply *mutatis mutandis* to the written notice prescribed in this article. However, in this case, no objection may be lodged against the allocation of exercised positions conducted pursuant to the provisions of Article 59.1.

**Article 67** Deleted

**Article 68** Deleted

##### **Article 69 (Prohibition on Discretionary Trading in Options Transactions)**

1. The provisions of each item of Article 25.1 shall apply *mutatis mutandis* to prohibition on discretionary trading in Options Transactions. In this case, the phrase “each item of Article 6.1” in Article 25 shall be deemed to be replaced with “each item of Article 52.1.”

**Article 70** Deleted

**Article 71** Deleted

## **Chapter 11 Special Provisions for EFP Transactions and EFS Transactions**

### **Article 72 (Consignment of Transactions in the Form of EFP Transactions and EFS Transactions)**

1. A customer intending to place orders for EFP transactions or EFS transactions, as provided for in the Market Rules of the Exchange, shall provide a Broker Member with instructions indicating such intention. In this case, the execution of said transactions shall be limited to those approved by the Exchange. In such case, the instructions shall include the matters set forth by the Broker Member and shall be issued to such Broker Member before the cut-off time set by the Broker Member.
2. An approval of the Exchange is required to do the EFP Transactions and EFS Transactions.
3. A customer who received a request from a Broker Member to submit documents related to EFP transactions or EFS transactions (including documents related to physical transactions and swap transactions accompanying the sales agreement for physical transactions), in accordance with the instructions of the Exchange, shall respond to such request.
4. In addition to those prescribed in each of the preceding paragraphs, the Market Rules of the Exchange shall apply *mutatis mutandis* to the matters necessary for the handling of EFP transactions and EFS transactions.

## **Chapter 11-2 Special Provisions for EFF Transactions**

### **Article 72-2 (Consignment of Transactions in the Form of EFF Transactions)**

1. A customer intending to place orders for EFF transactions, as provided for in the Market Rules of the Exchange, shall provide a Broker Member with instructions indicating such intention. In such case, the instructions shall include the matters set forth by the Broker Member and shall be issued to such Broker Member before the cut-off time set by the Broker Member.
2. An approval of the Exchange is required to do the EFF Transactions.
3. A customer who received a request from a Broker Member to submit documents related to EFF transactions, in accordance with the instructions of the Exchange, shall respond to such request.
4. In addition to those prescribed in each of the preceding paragraphs, the Market Rules of the Exchange shall apply *mutatis mutandis* to the matters necessary for the handling of EFF transactions.

## **Chapter 12 Special Provisions for Off-floor Transactions**

### **Article 73 (Consignment of Transactions in the Form of Off-floor Transaction)**

1. A customer intending to place orders for Off-floor Transaction, as provided for in the Market Rules of the Exchange, shall provide a Broker Member with instructions indicating such intention. In such case, the instructions shall include the matters set forth by the Broker

- member and shall be issued to such Broker Member before the cut-off time set by the Broker Member.
2. An approval of the Exchange is required to do the Off-floor Transactions.
  3. A customer who received a request from a Broker Member to submit documents related to Off-floor Transaction, in accordance with the instructions of the Exchange, shall respond to such request.
  4. In addition to those prescribed in each of the preceding paragraphs, the Market Rules of the Exchange shall apply *mutatis mutandis* to the matters necessary for the handling of Off-floor Transaction.

### **Chapter 13 Special Provisions for Customer Direct Access Transaction**

#### **Article 74 (Requirement of Customer Direct Access Transaction)**

1. A customer intending to receive Customer Direct Access service from a Broker Member prescribed in Market Rules shall conclude Customer Direct Access contract with such Broker Member prescribing the matters set forth in each of the following items.
  - (1) The matters concerning the delegation from a Broker Member of the act of inputting orders and other acts incidental thereto pursuant to the Customer Direct Access
  - (2) The matters concerning maintenance and operation of transaction terminal for Customer Direct Access.

#### **Article 75 (Compliance Requirement for Customers)**

1. The customer shall not provide the transaction terminal for Customer Direct Access to any third party.
2. The customer shall put appropriate systems, etc. in place as prescribed in Customer Direct Access Detailed Rules in order to have Customer Direct Access.
3. The customer who has received a request from Exchange or a Broker Member to submit a statement or other record of investigation, with respect to the transaction terminal for Customer Direct Access, systems etc. prescribed in the preceding paragraph, or transaction through Customer Direct Access, shall respond to such request.
4. In addition to those prescribed in each of the preceding three paragraphs, the Market Rules and other Detailed Rules or contract concluded as prescribed in Article 74 shall apply *mutatis mutandis* to the matters necessary for the handling of Customer Direct Access transactions.
5. Under the cases prescribed in the preceding paragraphs, a customer may not lodge objections to such measures.

### **Chapter 14 Special Provisions for Trade Cancellation**

#### **Article 76 (Effect, etc. of Trade Cancellation)**

1. In the case where the Exchange cancelled a trade pursuant to Articles 80 and 80-2 of the Market Rules, rights and obligations between the customer and the Broker Member pertaining to said cancelled trade shall be deemed never to have arisen.
2. A customer may not, under any circumstances including the case where he/she incurs damages due to the trade cancellation by the Exchange under the provisions of Articles 80 and 80-2 of the Market Rules, claim compensation for damages to the Member who placed the erroneous order or the Broker Member to whom the trade was consigned; provided, however, that the same shall not apply if it is found that the Member placed such an erroneous order intentionally or by gross negligence.
3. A customer may not, under any circumstances including the case where he/she incurs

damages due to the cancellation or non-cancellation of a trade by the Exchange under the provisions of Articles 80 and 80-2 of the Market Rules, 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.

## **Chapter 15 Special Provisions for the Transfer of Positions and Order Processing in the Discontinued Commodity Market and the Newly Established Commodity Market**

### **Article 77 (Special Provisions for the Transfer of Positions and Order Processing in the Discontinued Commodity Market and the Newly Established Commodity Market)**

1. In the case where the Exchange or another commodity exchange discontinues trading of all or part of Listed Products, etc. (meaning Listed Products, Listed Commodity Indexes, Listed Commodity Component Products, or products underlying an exchange listed commodity index; hereinafter the same shall apply in this chapter) comprising a commodity market and simultaneously establishes another commodity market comprised of said Listed Products, etc. whose trading is discontinued or add said Listed Products, etc. to a commodity market that has already been established (including cases where said exchange starts a separate trading session for Listed Products, etc. that have already been traded), if the Discontinued Commodity Exchange (meaning the commodity exchange pertaining to the Discontinued Commodity Market (meaning an aggregate of Listed Products, etc. comprising a commodity market whose trading is to be discontinued and simultaneously started in another commodity market that is newly established or has already been established by the Exchange or another exchange; hereinafter the same shall apply in this chapter); hereinafter the same shall apply in this chapter), the Newly Established Commodity Exchange (meaning the commodity exchange pertaining to the Newly Established Commodity Market (meaning a commodity market that is newly established comprised of all or part of Listed Products, etc. comprising a commodity market of the discontinued commodity exchange or a commodity market that has already been established to which said Listed Products, etc. are added (including cases where said exchange starts a separate trading session for Listed Products, etc. that have already been traded); hereinafter the same shall apply in this chapter); hereinafter the same shall apply in this chapter), or the Clearing House intends to establish special provisions for the handling of the transfer of positions and order processing or other relevant matters, they shall follow the provisions of the Market Rules and this chapter.

### **Article 78 (Notification to Customers, etc. in the Case Where Special Provisions are Established)**

1. If a Broker Member of the Discontinued Commodity Market receives notification from the Discontinued Commodity Exchange to the effect that it will establish special provisions pursuant to the preceding article, the Broker Member shall promptly notify customers of the details of the special provisions.
2. If a Broker Member of a Newly Established Commodity Market receives notification from the Newly Established Commodity Exchange to the effect that it will establish special provisions pursuant to the preceding article, the Broker Member shall promptly inform customers of the details of the special provisions.

### **Article 79 (Special Provisions for Execution Price, etc.)**

1. In the calculation of Mark-to-Market Profit or Loss Amount, and Profit or Loss resulting from

liquidation with regard to trading of Customers, the Execution Price, etc. of the Discontinued Commodity Market shall be treated as the Execution Price, etc. of the Newly Established Commodity Market.

**Article 80 (Compliance Requirement for Customers)**

1. Customers may not make any objection to a Broker Member, the Newly Established Commodity Exchange, or the Clearing House regarding the treatments adopted pursuant to the Market Rules and this chapter; provided, however, that this shall not apply if there is willful or gross negligence by the Broker Member, the Newly Established Commodity Exchange, or the Clearing House with regard to said treatments.

**Chapter 16 Special Provisions for Conclusion of Commodity Transaction Agreement Following Specified Solicitation**

**Article 81 (Agreements Based on Specified Solicitation)**

1. This chapter prescribes special provisions applicable to Commodity Transaction Agreements executed after the customer receives a solicitation prescribed in Article 102-2(ii) or (iii) of the Ministry Ordinance.
2. Matters not prescribed in this chapter shall be handled in accordance with the provisions in Chapters 1 through 15.

**Article 82 (Agreements Based on Solicitation to Customer of Another Company)**

1. A Commodity Transaction Agreement executed after the customer receives a solicitation prescribed in Article 102-2(ii) of the Ministry Ordinance from a Broker Member or a Commodity Futures Transactions Intermediary Service Provider to which the Broker Member has consigned its business shall include a clause to the effect that:  
In the case where a Broker Member or a Commodity Futures Transactions Intermediary Service Provider to which the Broker Member has consigned its business has concluded a Commodity Transaction Agreement and carried out a transaction in violation of the provisions of Article 102-2(ii)(a) or (b) of the Ministry Ordinance or knowing that the notification document prescribed in (b) of the same item contains a false statement, the transaction shall be deemed to have been carried out on the Broker Member's own account.

**Article 83 (Agreements Based on Solicitation to Person Satisfying Certain Requirements)**

1. A Commodity Transaction Agreement executed after the customer receives a solicitation prescribed in Article 102-2(iii) of the Ministry Ordinance from a Broker Member or a Commodity Futures Transactions Intermediary Service Provider to which the Broker Member has consigned its business shall include clauses to the following effect:
  - (1) The Broker Member or a Commodity Futures Transactions Intermediary Service Provider to which the Broker Member has consigned its business is prohibited from making a solicitation of consignment of transactions for any transaction under said Commodity Transaction Agreement and from receiving instructions of the customer regarding the matters listed in Article 6 within 14 days from the day on which said Commodity Transaction Agreement was concluded;
  - (2) The Broker Member shall establish an amount not more than one-third of the sum of the annual income and the amount of financial assets held by the customer ("Maximum Investment Amount") between the day on which the Commodity Transaction Agreement is

- concluded and the transaction commencement date;
- (3) From the day on which the Commodity Transaction Agreement is concluded until one year from that date, the Broker Member is prohibited from accepting consignment of transactions if the Broker-set Margin for Customer (if the Mark-to-Market Profit or Loss Amount is negative, the amount calculated by reducing the amount of the Broker-set Margin for Customer by the Mark-to-Market Profit or Loss Amount; hereinafter the same shall apply in this item) within Deposited Margin exceeds the investable amount (meaning the amount calculated as the Maximum Investment Amount, less the total amount of Brokerage Commission (including Tentative Brokerage Commission), plus or minus the net Profit or Loss resulting from Liquidation (if this amount exceeds the Maximum Investment Amount, the Maximum Investment Amount); hereinafter the same shall apply in this item) as a result and if the Broker-set Margin for Customer within Deposited Margin is greater than or equal to the investable amount when the Mark-to-Market Profit or Loss Amount is calculated, the Broker Member shall promptly dispose of all consigned transactions by resale or repurchase; and
- (4) If the Broker Member falls under any of the following cases, any transaction under said Commodity Transaction Agreement shall be deemed to have been carried out on the Broker Member's own account:
- A. Where the Broker Member or a Commodity Futures Transactions Intermediary Service Provider to which the Broker Member has consigned its business has concluded a Commodity Transaction Agreement and carried out a transaction in violation of the provisions of Article 102-2(iii)(a) or (b) of the Ministry Ordinance or the provisions of the preceding items of this article or knowing that the notification document prescribed in (b)1 through 3 of the same item contains a false statement;
  - B. Where the Broker Member has received instructions of the customer in violation of the provisions of Item (1) and carried out a transaction; or
  - C. Where the Broker Member has accepted consignment of transactions or carried out a transaction without completing the settlement in violation of the provisions of the preceding two items.

## **Chapter 17 Special Provisions for Limited Loss Transactions**

### **Article 84 (Special Provisions for Limited Loss Transactions)**

1. In cases where a Broker Member concludes with a customer an agreement on the Limited Loss Transactions (meaning the transactions where the amount of loss which is to be caused by the price fluctuation etc. in the Commodity Market is not likely to exceed the amount of Broker-set Margin for Customer etc. (limited to the Broker-set Margin for Customer and margins determined by a Broker Member as necessary for the transactions and placed for the said transaction in advance; the same shall apply hereinafter in this article)), the Broker Member may accept consignment of transactions without receiving the instructions prescribed in each item of Article 6.1, provided that the Broker Member accept consignment of transactions pursuant to the said agreement.
2. A Broker Member intending to conclude an agreement prescribed in the preceding paragraph with a customer shall deliver to the customer a document setting forth the terms prescribed in each of the following items:
  - (1) Contents of the Agreement on Limited Loss Transactions.
    - A. In case of placing a Loss Cut order specified in the Market Rules, there is a possibility that, depending on the market conditions, the loss exceeding / not exceeding the loss amount for Loss cut Level specified in the Market Rules might incur.
    - B. In case of placing a Loss Cut order specified in the Market Rules, there is a possibility that, depending on the market conditions, such orders will not be executed. When there is no execution, Stop Loss transaction specified in the Market Rules shall be

- conducted.
- (2) The amount of loss which might incur based on the said agreement shall be within the range of the amount of Broker-set Margin for customer etc.; provided, however, that commission will not be included in the amount of loss; and
  - (3) Other terms of the said agreement.
3. If a Broker Member has delivered a document pursuant to the provisions of the preceding paragraph, the Broker Member shall provide an explanation on the matters set forth therein to the customer in a manner understandable to the customer.
  4. When a Broker Member concludes an agreement prescribed in Paragraph 1 with a customer, the Broker Member shall manage the Clearing Margin of the transactions consigned pursuant to the terms of the said agreement separately from the Clearing Margins of other transactions.
  5. The provisions of Article 3.5 and 3.6 shall apply *mutatis mutandis* to the document to be delivered pursuant to Paragraph 2.

### **Article 85 (Special Provisions for Limited Loss Options Transactions)**

1. When a Broker Member concludes with a customer an agreement on Limited Loss Options Transactions (meaning the transactions where the amount of loss arising from price fluctuations, etc. in the commodity market is not likely to exceed the Options Transaction Payment which is used to guarantee a person who acquires options), the Broker Member shall do so in compliance with the provisions of this article.
  2. The Broker Member shall, when concluding an agreement with a customer prescribed in the preceding paragraph, provide the customer with a document specifying the following conditions:
    - (1) Conditions of the agreement on Limited Loss Options Transactions
      - A. That the Options Transaction is a product with a limited transaction period, and the right to exercise option will cease to exist if the option is not exercised or the resale of the transaction is not conducted by a deadline; In this case, the customer will lose the entire Options Transaction Payment.
      - B. That the Limited Loss Options Transaction is to buy an Options Transaction, which can be terminated by resale, exercise, or waiver; and
      - C. That the Options Transaction Payment is an amount obtained by multiplying an execution price by an Execution Price Unit Multiplier and the quantity of execution, which should be delivered to the Broker Member by the date and time designated by the Broker Member but no later than noon of the business day following the day on which the transaction is completed (meaning a day for each Clearing Period designated by a Clearing House).
    - (2) The amount of loss that may incur based on the agreement shall be the Options Transaction Payment, but fees are not included in the amount of loss.
    - (3) Other conditions of the agreement
  3. When the Broker Member provides the customer with the document prescribed in the preceding paragraph, he/she shall explain the matters specified in the document to help the customer understand such contents.
  4. The Broker Member shall, after concluding the agreement with the customer as prescribed in Paragraph 1, add/deduct the Options Transaction Payment to/from the Deposited Margin delivered or deposited by the customer, and then, add the Exercise Price Differential. A Brokerage Commission and other fees to be paid by the customer and approved by the Broker Member shall be deducted from the sum. The balance shall be managed as Clearing Margin, separate from other Clearing Margins for other transactions.
  5. The provisions of Articles 3.5 and 3.6 shall apply *mutatis mutandis* to the delivery of the document prescribed in Paragraph 2.
-

## **Chapter 18 Special Provisions for Gold Spot Transaction**

### **Article 86 (Gold Spot Transaction)**

1. When a Broker Member receives a consignment regarding gold spot transactions from the customer, the provisions of this chapter shall apply.
2. Matters not prescribed in this chapter shall be determined in the provisions of Chapters 1 through 7.

### **Article 87 (Document to be Delivered Prior to Sign an Agreement)**

1. The Broker Member shall, when concluding an agreement with a customer regarding gold spot transactions, provide the customer with a document specifying the following conditions:
  - (1) Conditions of the agreement on spot gold transactions
    - A. That the customer should, when consigning spot gold transactions, provide the Broker Member with instructions including the quantity of sell or buy each time as well as other matters specified by the Broker Member;
    - B. That the customer should, when completing the spot gold transaction, deliver the buy fund, the amount equivalent to consumption tax applicable to the buy fund, and the Brokerage Commission to the Broker Member by the date and time designated by the Broker Member but no later than noon of the business day following the day on which the transaction is completed; In this case, if the date of consignment of buy is specified as the delivery date, the customer shall settle the difference between the advanced buy fund and the actual buy fund plus the amount equivalent to consumption tax applicable to the buy fund and the Brokerage Commission by the date and time designated by the Broker Member but no later than noon of the business day following the day on which the spot gold transaction is completed.
    - C. That the customer should, when consigning the selling of a spot gold transaction with a warehouse receipt, deliver the warehouse receipt and Brokerage Commission regarding such consignment to the Broker Member by the date and time designated by the Broker Member;
    - D. That when the customer consigns the selling of a spot gold transaction based on an agreement with a designated warehouse after modifying the name of depositor within the designated warehouse, he/she should take necessary procedures to sell determined in the Market Rules of the Exchange;
    - E. That the Broker Member should, when completing the spot gold transaction consigned, notify in writing the quantity of sell or buy, the amount of sales proceeds or buy funds, the amount equivalent to consumption tax applicable to sales proceeds or buy funds, and the delivery date to the customer without delay;
    - F. That the Broker Member should indicate the delivery method of sales proceeds and the amount equivalent to consumption tax applicable to sales proceeds to the selling customer, or the delivery method of the warehouse receipt or gold bars to the purchasing customer; and
    - G. That other necessary matters regarding spot gold transactions should be determined in the Market Rules of the Exchange.
  - (2) Other conditions of the agreement
2. When the Broker Member provides the customer with the document prescribed in the preceding paragraph, he/she shall explain the matters specified in the document to help the customer understand such contents.
3. The provisions of Articles 3.5 and 3.6 shall apply mutatis mutandis to the delivery of the document prescribed in Paragraph 1.

## **Supplementary Provisions**

### **Article 1**

These Rules shall take effect on the later of January 1, 2011 or the day on which the approval was obtained pursuant to Article 156.1 of the Commodity Exchange Act (Act No. 239 of 1950) (i.e., November 10, 2010).

### **Article 2**

In cases where a written consent has been submitted, pursuant to Article 4.1 of the Brokerage Rules, that were in effect prior to the effective date, a new written consent shall be deemed to have been submitted in accordance with Article 4.1 of these Rules on the effective date. Further, a Broker Member shall deliver these Rules and the Pre-agreement Documents prescribed in Article 3.1 of these Rules to a customer before the effective date and shall explain the said Pre-agreement Documents to the customer in a manner comprehensible to the customer.

### **Article 3**

In cases where a written consent has been submitted, pursuant to Article 4.1 of the Brokerage Rules, that were in effect prior to the effective date, when an Intermediary accepts from its Customer of Intermediary consignment of intermediation of consignment of transactions in the commodity markets of the Exchange, a new written consent shall be deemed to have been submitted in accordance with Article 4.1 of these Rules on the effective date. Further, an Intermediary shall deliver these Rules and the Pre-agreement Documents prescribed in Article 3.1 of these Rules to a Customer of Intermediary before the effective date and shall explain the said Pre-agreement Documents to the customer in a manner comprehensible to the Customer of Intermediary.

### **Article 4**

Notwithstanding the provisions of the second sentence of Article 11 and the second sentence of Article 11-2, for the time being, in the case where a Broker Member concludes a special agreement with its customer, the Clearing Margin equivalent to the Cash Deficiency Amount may be placed or deposited in the form of Substitute Securities etc. and Substitute Foreign Currencies (including those that have currently been placed or deposited with the Broker Member) by the customer and the Broker Member may cause the customer to place or deposit the Clearing Margin equivalent to the Cash Deficiency Amount in the said form.

## **Supplementary Provision**

Revisions to the provisions of Article 6-3 (Special Provisions for Instructions, etc. in the Case of Consignment of Limited Loss Transactions) and Article 12-1 (Refund of Deposited Margin Excess) shall take effect on the later of January 1, 2011 or the day on which the approval was obtained (December 1, 2010) pursuant to Article 156.1 of the Commodity Exchange Act (Act No. 239 of 1950).

## **Supplementary Provisions**

Revisions to the provisions of Article 37-1 (Compliance Requirements for Intermediaries), and the newly established Article 10-2 (Deferral of Placement of Clearing Margins) shall take effect on the later of January 1, 2011 or the day on which the approval was obtained (December 24, 2010) pursuant to Article 156.1 of the Commodity Exchange Act (Act No. 239 of 1950).

## **Supplementary Provisions**

The newly established Chapter 14 and Article 76 (Effect, etc., of Trade Cancellation) shall take effect on the later of March 1, 2011 or the day on which the approval was obtained (January 26, 2011) pursuant to Article 156.1 of the Commodity Exchange Act (Act No. 239 of 1950).

## **Supplementary Provisions**

### **Article 1**

The newly established Article 24-2 (Measures, etc. in Case of Abolishment or Temporary Halt of Market, etc.) and revisions to the provisions of Article 15 (Settlement by Offset), Article 17 (Brokerage Commission), Article 23 (Notice of Disposition of Transactions), Article 24-3 (Measures to be Taken in the Case of False Notification by Customer, etc.), Article 25 (Prohibition on Discretionary Trading), Article 56 (Settlement of Transaction Payment), and

Article 62 (Brokerage Commission) shall take effect on the day on which the approval was obtained (March 29, 2011) pursuant to Article 156.1 of the Commodity Exchange Act (act No.239 of 1950).

### **Article 2**

Revisions to the provisions of Article 6 (Instructions for Consignment of Transactions), Article 19 (Notice of Execution of Transactions), Article 22 (Regular Confirmation of Customer Account Balances), and Article 49-2 (Contract Day Index Futures Transactions) through Article 49-5 (Prohibition on Discretionary Trading in Contract Day Index Futures Transactions) shall take effect on the later of May 2, 2011 or the day on which the approval was obtained (March 29, 2011) pursuant to Article 156.1 of the Commodity Exchange Act (Act No. 239 of 1950) and shall apply from the first trading day (May 2, 2011) of Index Futures Transaction following the effective date.

### **Supplementary Provisions**

Revisions to the provisions of Article 19 (Notice of Execution of Transactions), Article 22 (Regular Confirmation of Customer Account Balances), and Article 24-2 (Measures to be Taken in the Case of False Notification by Customer, etc.) and the deletion of Chapter 9-2 (Special Provisions for Index Futures Transactions), Article 49-2 (Contract Day Index Futures Transactions) through Article 49-5 (Prohibition on Discretionary Trading in Contract Day Index Futures Transactions) shall take effect on the later of March 1, 2012 or the day on which the approval was obtained (May 31, 2011) pursuant to Article 156.1 of the Commodity Exchange Act (Act No. 239 of 1950).

### **Supplementary Provisions**

Revisions to the provisions of Article 37-1 (Compliance Requirements for Intermediaries), Article 40-1 (Give-up), and Article 40-3 (Instructions for Consignment of Transactions Pertaining to Give-up) and the newly established Article 40-2-4 (Requirements for Give-up of Proprietary Transactions of Trade Members, etc.) shall take effect on the day on which the approval was obtained (May 23, 2011) pursuant to Article 156.1 of the Commodity Exchange Act (Act No. 239 of 1950).

### **Supplementary Provisions**

The newly established Article 40-4(Conclusion of Give-up Agreement) and Article 40-6(Cancellation of Give-up) and revisions to the provisions of Article 37 (Compliance Requirements for Intermediaries), Article 40-2 (Give-up Requirements), Article 40-2-4 (Requirements for Give-up of Proprietary Transactions of Trade Members, etc.), Article 40-3(Requirements for Give-up of Proprietary Transactions of Trade members, etc.) and Article 40-5 (Instructions for Consignment of Transactions Pertaining to Give-up) and the deletion of Article 40-2-2(Requirements for Give-up through Intermediation and the like) and Article 40-2-3 (Requirements for Give-up Pertaining to Foreign Commodity Futures Broker Consigned to Intermediary) shall take effect on the later of December 19, 2011 or the day on which the approval under Article 156.1 of the Commodity Derivatives Act (Act No. 239 of 1950) is obtained (October 18, 2011).

### **Supplementary Provisions**

Revisions to the provisions of Article 10-2 (Deferral of Placement of Clearing Margins), Article 15 (Settlement by Offset), Article 21 (Notice of Settlement by Delivery), Article 22 (Regular Confirmation of Customer Account Balances), Article 31 (Restrictions on Use of Substitute Securities etc.), Article 45 (Special Provisions for Settlement by Delivery of Gasoline and Kerosene), and Article 71 (Submission of Statement of Reason and Other Record of Investigation) through Article 73 (Consignment of Transactions in the Form of Block Transaction), and the newly established Chapter 15 (Special Provisions for the Transfer of Positions and Order Processing in the Discontinued Commodity Market and the Newly Established Commodity Market) and Article 77 (Special Provisions for the Transfer of Positions and Order Processing in the Discontinued Commodity Market and the Newly Established Commodity Market) through Article 80 (Compliance Requirement for Customers) shall take effect on the day on which the approval was obtained (June 4, 2012) pursuant to Article 156.1 of the Commodity Exchange Act (Act No. 239 of 1950).

### **Supplementary Provisions**

Revisions to the provisions of Article 6-2 (Special Provisions for Instructions, etc. in the Case of Consignment of Automatic program Transactions) and the newly established Article 6-4 (Special Provisions for Discretionary Transactions under Eligible Consent, etc.) shall take effect on the later of December 1, 2012 or the day on which the approval was obtained (November 30, 2012) pursuant to Article 156.1 of the Commodity Exchange Act (Act No. 239 of 1950).

### **Supplementary Provisions**

Revisions to the provisions of Article 15 (Settlement by Offset), Article 16 (Settlement by Deliver), Article 42 (Special Provision for Placement or Deposit of Clearing Margins), and Article 49 (Special Provision for Settlement by Delivery of Soybeans), and the newly established Chapter 9 Section 4 (Special Provisions for Agricultural Products & Sugar Market) and Article 49-2 (Special Provision for Settlement by Delivery of Corn or Raw Sugar) shall take effect on the later of February 12, 2012 or the day on which the approval was obtained (January 18, 2013) pursuant to Article 156.1 of the Commodity Exchange Act (Act No. 239 of 1950).

### **Supplementary Provisions**

Revisions to the provisions of Article 1 (Conformity and Compliance with Brokerage Rules) shall take effect on the day on which the revision of the Article of Incorporation go with the change in corporate name take effect (February 12, 2013).

### **Supplementary Provision**

Revisions to the provisions of Article 5 (Advance Notice by Customers and Others), Article 11-1 (Amount of Clearing Margins and Cut-off Time for Placement or Deposit of Clearing Margins) and Article 11-2 (Additional Placement or Additional Deposit of Clearing Margin) shall take effect on the day the approval was obtained (March 19, 2014) pursuant to Article 156.1 of the Commodity Exchange Act (Act No. 239 of 1950).

### **Supplementary Provision**

The newly established Article 40-7 (Special Provision for the Give-up of Remote Broker Members) and revisions to the provisions of Article 27 (Transfer or Succession of Outstanding Positions) and Article 40 (Give-up) shall take effect on the day the approval was obtained (March 31, 2014) pursuant to Article 156.1 of the Commodity Exchange Act (Act No. 239 of 1950).

### **Supplementary Provision**

The newly established Chapter 9 Section 5 (Special Provisions for ADP) and Article 49-3 (Consignment of ADP) shall take effect on the day the approval was obtained (August 11, 2014) pursuant to Article 156.1 of the Commodity Exchange Act (Act No. 239 of 1950).

### **Supplementary Provision**

The newly established Chapter 12-2 (Special Provisions for Posted Settlement Transactions) and Article 73-2 (Consignment of Transactions in the form of Posted Settlement Transactions) shall take effect on the later of October 6, 2014 or the day the approval was obtained (September 9, 2014) pursuant to Article 156.1 of the Commodity Exchange Act (Act No. 239 of 1950).

### **Supplementary Provisions**

#### **Article 1**

Revisions to the provisions of Article 22 (Regular Confirmation of Customer Account Balances) shall take effect on the day the approval was obtained (March 23, 2015) pursuant to Article 156.1 of the Commodity Exchange Act (Act No. 239 of 1950).

#### **Article 2**

The newly established Chapter 9-2 (Special Provisions for Cash-settled Rolling Spot Futures Transactions), Article 49-4 (Instructions for Consignment of Transactions of Cash-settled Rolling Spot Futures Transactions), Article 49-5 (Handling of Cases Where Resale or Repurchase is Not Carried Out in Cash-settled Rolling Spot Futures Transactions), Article 49-6 (Prohibition on

Discretionary Trading in Cash-settled Rolling Spot Futures Transactions) and Article 49-7 (Special Provisions for Discretionary Transactions under Eligible Consent, etc. in Cash-settled Rolling Spot Futures Transactions), and revisions to the provisions of Article 19 (Notice of Execution of Transactions) and Article 41-3 (Special Provision for Settlement by Offset) shall take effect on the later of May 7, 2015 or the day the approval was obtained (March 23, 2015) pursuant to Article 156.1 of the Commodity Exchange Act (Act No. 239 of 1950).

### **Supplementary Provision**

Revisions to the provisions of Article 72 (Consignment of Transactions in the Form of EFP Transactions and EFS Transactions), Chapter 12 (Special Provisions for Block Transactions) and Article 73 (Consignment of Transactions in the Form of Block Transaction) and the deletion of Chapter 12-2 (Special Provisions for Posted Settlement Transactions) and Article 73-2 (Consignment of Transactions in the form of Posted Settlement Transactions) shall take effect on the day the approval was obtained (March 31, 2015) pursuant to Article 156.1 of the Commodity Exchange Act (Act No. 239 of 1950).

### **Supplementary Provision**

The newly established Chapter 16 (Special Provisions for Conclusion of Commodity Transaction Agreement Following Specified Solicitation), Article 81 (Agreements Based on Specified Solicitation), Article 82 (Agreements Based on Solicitation to Customer of Another Company) and Article 83 (Agreements Based on Solicitation to Person Satisfying Certain Requirements) and the revisions to the provisions of Article 23 (Notice of Disposition of Transactions) shall take effect on the day the approval was obtained (May 29, 2015) pursuant to Article 156.1 of the Commodity Exchange Act (Act No. 239 of 1950).

### **Supplementary Provisions**

#### **Article 1**

The newly established Article 49-8 (Special Provisions for Settlement by Delivery in Cash-settled Rolling Spot futures Transactions) and Chapter 18 (Special Provisions for Gold Spot Transaction) shall take effect on the later of July 25, 2016 or the day the approval was obtained ("Date of Approval") (July 21, 2015) pursuant to Article 156.1 of the Commodity Exchange Act (Act No. 239 of 1950).

#### **Article 2**

The newly established Chapter 17 (Special Provisions for Limited Loss Transactions), Article 84 (Special Provisions for Limited Loss Transactions) and Article 85 (Special Provisions for Limited Loss Options Transactions), the revisions to Article 2 (Definitions), Article 6-4 (Special Provisions for Discretionary Transactions under Eligible Consent, etc.), Article 11-1 (Amount of Clearing Margins and Cut-off Time for Placement or Deposit of Clearing Margins), Article 11-2 (Additional Placement or Additional Deposit of Clearing Margins), Article 11-3 (Payout of Book Profit), Article 19 (Notice of Execution of Transactions), Article 22 (Regular Confirmation of Customer Account Balances), Article 49-5 (Handling of Cases Where Resale or Repurchase is Not Carried Out), Article 49-7 (Special Provisions for Discretionary Transactions under Eligible Consent, etc. in Cash-settled Rolling Spot Futures Transactions), Article 51 (Definitions), Article 52 (Instructions for Consignment of Transactions), Article 56 (Settlement of Transaction Payment), Article 58 (Settlement by Exercise), Article 59 (Allotment of Exercised Positions) Article 61 (Expiration of Options Positions), Article 62 (Brokerage Commission), Article 65 (Notice of Settlement by Exercise) and Article 66 (Notice of Settlement by Allotment of Exercised Positions), and the deletions to the provisions of Article 57 (Issuance of Option Premium Estimate Receipt), Article 63 (Satisfaction of Outstanding Obligations with Deposits) and Article 71 (Submission of Statement of Reason and Other Record of Investigation) with the change of deletions to Article 6-3 (Special Provisions for Instructions, etc. in the Case of Consignment of Limited Loss Transactions) shall take effect on the later of September 20, 2016 or the Date of Approval.

#### **Article 3**

Notwithstanding the provisions of preceding Article, in the event that there is operational trouble of the electronic trading system or other unavoidable reasons that deemed necessary by the Exchange, the newly established Chapter and Articles, the revisions and the deletions to the

Articles may take effect from the day later than September 20, 2016 separately provided by the Exchange.

### **Supplementary Provision**

Revisions to the provisions of Article 6 (Instructions for Consignment of Transactions), Article 19 (Notice of Execution of Transactions), Article 21 (Notice of Settlement by Delivery), Article 22 (Regular Confirmation of Customer Account Balances), Article 27 (Transfer or Succession of Outstanding Positions), Article 34 (Special Provisions for Member Customers), Article 40 (Give-up), Article 40-3 (Requirements for Give-up of Proprietary Transactions of Members), Article 40-4 (Conclusion of Give-up Agreement), Article 40-5 (Instructions for Consignment of Transactions Pertaining to Give-up), Article 40-6 (Cancellation of Give-up), Article 46 (Special Provisions for Settlement by Delivery of Gas Oil), Article 47 (Notification of Settlement by Delivery), Article 49-2 (Special Provision for Settlement by Delivery of Corn or Raw Sugar), Article 49-4 (Instructions for Consignment of Transactions of Cash-settled Rolling Spot Futures Transactions), Article 51 (Definitions), Article 76 (Effect, etc. of Trade Cancellation) and Article 77 (Special Provisions for the Transfer of Positions and Order Processing in the Discontinued Commodity Market and the Newly Established Commodity Market) shall take effect on the later of October 31, 2016 or the day the approval was obtained (October 31, 2016) pursuant to Article 156.1 of the Commodity Exchange Act (Act No. 239 of 1950).

### **Supplementary Provisions**

Revisions to the provisions of Article 20 (Notice of Unexecuted Transactions), Article 33 (Complaints and Request for Mediation), Article 49-8 (Special Provisions for Settlement by Delivery in Cash-settled Rolling Spot Futures Transactions), and Article 87 (Document to be Delivered Prior to Sign an Agreement) shall take effect on the later of March 21, 2017 or the day on which the approval was obtained (February 1, 2017) pursuant to Article 156.1 of the Commodity Exchange Act (Act No. 239 of 1950).

### **Supplementary Provisions**

The newly established Article 46-2 (Special Provisions for Settlement by Delivery of Cash-settled Monthly Futures Transaction) and Article 72-2 (Consignment of Transactions in the Form of EFF Transaction) and the revisions to Article 11-2 (Additional Placement of Additional Deposit of Clearing Margins), Article 42 (Special Provision for Placement or Deposit of Clearing Margins), Article 44 (Special Provision for Settlement by Offset), Article 49-3 (Consignment of ADP), Article 72 (Consignment of Transactions in the Form of EFP Transactions and EFS Transactions) and Article 73 (Consignment of Transactions in the Form of Off-floor Transaction) shall take effect on the later of May 8, 2017 or the day the approval was obtained (April 28, 2017) pursuant to Article 156.1 of the Commodity Exchange Act (Act No. 239 of 1950).