

## Market Rules

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## **PART 1 GENERAL PROVISIONS**

### **Article 1 (Purpose)**

1. These Rules shall, based on the provisions of Article 59.1 of the Articles of Incorporation, prescribe the matters necessary with regards to transactions and Members in the commodity markets of the Exchange ("Markets").

### **Article 2 (Interpretation)**

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

### **Article 3 (Detailed Rules)**

1. In addition to the provisions of these Rules, matters necessary for the administration of each market shall be prescribed by the Market Management Detailed Rules applicable to each market.
  2. In addition to the provisions of these Rules, matters necessary for the execution of transactions (exclude the transactions on a Commodity Market prescribed in Article 2.10.1.d of the Commodity Derivatives Act (Act No. 239 of 1950; "Act") ("Physical Transaction")) shall be prescribed by the System Trading Detailed Rules.
  3. In addition to the provisions of these Rules, necessary matters concerning options transactions shall be prescribed by the Options Transactions Detailed Rules.
  4. In addition to the provisions of these Rules, necessary matters concerning give-ups shall be prescribed by the Give-up Detailed Rules.
  - 4-2. In addition to the provisions of these Rules, necessary matters concerning Off-floor Transactions shall be prescribed by the Off-floor Transactions Detailed Rules.
  - 4-3. In addition to the provisions of these Rules, necessary matters concerning EFF Transactions shall be prescribed by the EFF Transactions Detailed Rules.
  5. In addition to the provisions of these Rules, necessary matters concerning EFP transactions and EFS transactions shall be prescribed by the EFP and EFS Transactions Detailed Rules.
  6. deleted
  7. In addition to the provisions of these Rules, matters necessary for the determination of the Final Settlement Price of Cash-settled Futures Transactions of oil shall be prescribed by the Oil Final Settlement Price Determination Detailed Rules.
  - 7-2. In addition to the provisions of these Rules, matters necessary for the determination of the Theoretical Spot Price of Cash-settled Rolling Spot Futures Transaction (the transaction prescribed in Article 4.1.2) shall be prescribed by the Cash-settled Rolling Spot Futures Transaction Theoretical Spot Price Detailed Rules.
  8. In addition to the provisions of these Rules, necessary matters concerning the delivery in each market shall be prescribed by the Detailed Delivery Rules applicable to each market. However, the matters related to ADP shall be prescribed by the ADP Detailed Rules.
  9. In addition to the provisions of these Rules, matters necessary for the determination of additional compensation pertaining to the default procedure shall be prescribed by the Default Additional Compensation Detailed Rules.
  10. In addition to the provisions of these Rules, necessary matters concerning Members shall be prescribed by the Membership Detailed Rules.
  11. In addition to the provisions of these Rules, necessary matters concerning Associate Members shall be prescribed by the Associate Membership Detailed Rules.
  12. In addition to the provisions of these Rules, necessary matters concerning trading fees and other related matters shall be prescribed by the Trading Fees Detailed Rules.
  13. In addition to the provisions of these Rules, necessary matters concerning clearing and settlement of the trades done in the market of the Exchange shall be prescribed by the Clearing and Settlement Rules
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14. deleted
15. In addition to the provisions of these Rules, necessary matters concerning trading through Direct Market Access (meaning a customer's act of directly inputting orders in his/her transaction terminals that are connected with the central processing system of the Exchange and other acts incidental thereto under delegation of said acts from a Broker Member who has concluded a Customer Direct Access contract with the Exchange; the same shall apply hereinafter) shall be prescribed by the Customer Direct Access Detailed Rules.
16. In addition to the provisions of these Rules, necessary matters concerning Stop Loss transactions shall be prescribed by the Stop Loss Transactions Detailed Rules.
17. In addition to the provisions of these Rules, necessary matters concerning the audit of Members shall be prescribed by the Audit Detailed Rules.
18. In addition to the provisions of these Rules, necessary matters concerning Physical Transactions shall be prescribed by the Physical Transactions Detailed Rules.

## **PART 2 TRANSACTIONS IN THE MARKET**

### **Chapter 1 General Provisions**

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

1. Transaction Types provided for in Article 9-2.3 shall be the Items prescribed hereof. "Futures Transactions" provided for in Article 2.3.1 through Article 2.3.4 of the Act shall mean the transactions prescribed in item (1) to item (4) below.
  - (1) Physically Delivered Futures Transaction shall be a transaction whereby the trading parties conclude to trade a commodity of a grade stipulated for Physically Delivered Futures Transactions in accordance with the provisions of these Rules ("Standard Grade Materials"), which can be settled by either exchanging Good Delivery Material (as provided for in Article 48) for its corresponding value on the delivery day, or by paying/receiving the price differential when offsetting the positions by resale or repurchase prior to the delivery day.
  - (2) Cash-settled Futures Transaction shall be a transaction whereby the trading parties conclude to trade a commodity stipulated for Cash-settled Futures Transactions in accordance with the provisions of these Rules, which can be settled by either paying/receiving the monies calculated from the difference between the agreed price thereof and the Settlement Price (as provided for in Article 62), or by paying/receiving the price differential when offsetting the positions by resale or repurchase prior to the expiry ("Cash-settled Monthly Futures Transaction"; the same shall apply hereinafter) or which can be settled by either paying/receiving the monies calculated from the difference between the agreed price thereof and the Theoretical Spot Price (as provided for in Article 63-2), or by paying/receiving the price differential when offsetting the positions by resale or repurchase prior to the expiry ("Cash-settled Rolling Spot Futures Transaction"; the same shall apply hereinafter).
  - (3) Index Futures Transaction shall be a transaction whereby the trading parties conclude to trade a price stipulated for Index Futures Transactions in accordance with the provisions of these Rules, which can be settled by either paying/receiving the monies calculated from the difference between the agreed numerical value thereof ("execution value") and the actual numerical value of said commodity index realized at a certain time in the future, or by paying/receiving the price differential when offsetting the positions by resale or repurchase.
  - (4) An options transaction shall be a transaction concluded by the trading parties in accordance with the provisions of the Market Rules, whereby the one party is granted by the other party in exchange for consideration paid to the other party the right to complete

a transaction in which the one party receives from the other party a difference between the Strike Price specified in Article 13, Paragraph 1, Item 1 and the Final Clearing Option Price specified in Article 64-2 (hereinafter "Options"), following a declaration of intent to do so by the one party who is granted such Options (hereinafter "Right Holder").

- (5) Physical Transaction shall be a transaction whereby the trading parties conduct in accordance with the Market Rules a trading order execution subject to Physical Transaction defined in Article 13-2, in which the one party receives the Good Delivery Materials and pays consideration on a delivery date defined in Article 48, which is to be applied mutatis mutandis in Article 68, Paragraph 2.

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

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

1. The Trading Sessions and hours of TOCOM market shall be as follows;
  - (1) Day Session
    - a. 8:45 am, Opening Auction (an Opening Auction prescribed in Article 19.2.1. The same shall apply hereinafter).
    - b. From 8:45 am to 3:10 pm, Zaraba (Zaraba transaction prescribed in Article 19.2.2. The same shall apply hereinafter).
    - c. 3:15 pm, Closing Auction (a Closing auction prescribed in Article 19.2.2. The same shall apply hereinafter).
  - (2) Night Session
    - a. 4:30 pm, Opening Auction.
    - b. From 4:30 pm to 5:25 am on the next calendar day, Zaraba.
    - c. 5:30 am on the next calendar day, Closing Auction.
2. Notwithstanding of the previous item 2, the trading hours of Night Session for Rubber Market shall be as below.
  - a. 4:30 pm, Opening Auction.
  - b. From 4:30 pm to 6:55 9m on the next calendar day, Zaraba.
  - c. 7:00 pm on the next calendar day, Closing Auction.

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

1. The Exchange shall accept orders placed through "Member Terminals" , transaction terminals used by Member (within the Members as provided for in Article 30.1, Clearing Participant prescribed in Article 2.19 of the Act ("Clearing Participant") or non-Clearing Participant who have designated Clearing Participant as provided for in Article 127; the same shall apply hereinafter), from 8:00 am to 3:15 pm for the Day Session and from 4:15 pm to 05:30 am on the next calendar day for the Night Session (from 4:15 pm to 7:00 pm for the Rubber Market), and register the orders immediately in the central processing system in the sequence of their acceptance, unless otherwise provided for by the System Trading Detailed Rules.
2. Notwithstanding the provisions of the preceding paragraph, under unavoidable circumstances (e.g.: Member Terminal malfunctions, etc.) the Exchange may change the order acceptance period.

### **Article 6-2 (Order Correction and Cancellation)**

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

### **Article 6-3 (Orders through Customer Direct Access)**

1. A Broker Member intending to provide Customer Direct Access services to his/her customers (excluding a customer provided for in Article 30.2.2; the same shall apply hereinafter) shall

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- conclude a Customer Direct Access contract prescribed by the Customer Direct Access Detailed Rules with the Exchange.
2. A Broker Member who provides Customer Direct Access services to his/her customers shall, pursuant to the provisions of the Customer Direct Access Detailed Rules, register with the Exchange the customers who carry out the act of inputting orders and other acts incidental thereto through the Customer Direct Access services provided by the Broker Member and obtain approval for them from the Exchange.
  3. A Broker Member who provides Customer Direct Access services to his/her customers shall, pursuant to the provisions of the Customer Direct Access Detailed Rules, appropriately manage the internal systems, etc. and transactions of the customers who carry out the act of inputting orders and other acts incidental thereto through Customer Direct Access.
  4. A Broker Member who provides Customer Direct Access services to his/her customers shall be liable for the acts, etc. carried out by his/her Customer Direct Access Customers in relation to trading through Customer Direct Access.
  5. Transaction terminals installed and operated for purposes of trading through Customer Direct Access by a customer who has received delegation from a Broker Member of the act of inputting orders and other acts incidental thereto pursuant to the Customer Direct Access contract concluded between the Exchange and the Broker Member shall be deemed to be Member Terminals prescribed in Article 6.1.

#### **Article 7 (Business Days and Holidays)**

1. The Exchange business days shall be all days other than the following days, considered as holidays:
  - (1) Sundays;
  - (2) Saturdays;
  - (3) National holidays provided for in the National Holidays Act;
  - (4) The first three days of the year; and
  - (5) December 31st.
2. There shall be no sessions of the TOCOM markets on holidays; provided, however, that there shall be the Night Session on a holiday immediately following a business day
3. The Exchange may determine temporary business days and/or holidays if the Exchange deems it necessary.
4. If the provisions of the preceding paragraph are applied, the Exchange shall notify accordingly Members and the Japan Commodity Clearing House Co. Ltd. ("Clearing House") in advance.

#### **Article 8 (Temporary Opening and Closing of Session)**

1. The Exchange may temporarily change the opening and closing hours of the sessions, temporarily suspend the whole or part of a session, or temporarily open the whole or part of a session if the Exchange deems it necessary under any of the following Items or others:
  - (1) When market price fluctuation is inappropriate or is likely to be inappropriate;
  - (2) When the trading condition is abnormal, or is likely to be abnormal, or when the continuation of the transactions is inappropriate in view of market management; and
  - (3) When there are difficulties or likely to have difficulties in the clearing operations at the Clearing House.
2. If the provisions of the preceding paragraph are applied, the Exchange shall promptly notify Members and the Clearing House accordingly.

#### **Article 9 (Temporary Halt of Session)**

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

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

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### Article 9-2 (Commodity Markets, Listed Products, etc.)

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

Commodity Markets	Listed Products	Transaction Types
Rubber Market	Rubber	Physically Delivered Futures Transaction
Precious Metals Market	Precious Metals	Physically Delivered Futures Transaction Cash-settled Futures Transaction Options Transaction Physical Transaction
Oil Market	Oil	Physically Delivered Futures Transaction Cash-settled Futures Transaction
Chukyo-oil Market	Chukyo-oil	Physically Delivered Futures Transaction
Aluminum Market	Aluminum	Physically Delivered Futures Transaction
Agricultural Product & Sugar Market	Agricultural Product & Sugar	Physically Delivered Futures Transaction

2. Exchange listed commodity component products provided in Article 10.2.1 of the Act and stated in the previous item and products underlying an exchange listed commodity index provided in Article 10.2.2 of the Act shall be the followings;
- (1) Ribbed Smoked Sheet (RSS) for Rubber Market;
  - (2) Gold, Silver, Platinum and Palladium for Precious Metals Market;
  - (3) Gasoline, Kerosene, Gas Oil and Crude Oil for Oil Market;
  - (4) Gasoline and Kerosene for Chukyo-oil Market;
  - (5) Aluminum for Aluminum Market; and
  - (6) Soybeans, Azuki, Corn and Raw Sugar for Agricultural Product & Sugar Market.

### Article 10 (Underlying Products of Transactions)

1. The commodities and index listed for transaction in the markets of the Exchange shall be as follows. However, aluminum bar in the Aluminum Market and Raw Sugar in the Agricultural Product & Sugar Market shall not be traded for the time being.
- (1) Rubber Market: ribbed smoked sheet No. 3;
  - (2) Precious Metals Market: gold bar, silver bar, platinum bar and palladium bar;
  - (3) Oil Market: gasoline, kerosene, gas oil and crude oil;
  - (4) Chukyo-oil Market: gasoline and kerosene;
  - (5) Aluminum Market: aluminum bar; and
  - (6) Soybean, Azuki, Corn and Raw Sugar for Agricultural Product & Sugar Market.

### Article 11 (Standard Grade Materials)

1. Standard Grade Materials shall be as follows:
- (1) Rubber: ribbed smoked sheet No. 3 under international standard;
  - (2) Precious Metals:
    - a. Gold: gold bar of minimum 99.99% fineness;
    - b. Silver: silver bar of minimum 99.99% fineness;
    - c. Platinum: platinum bar of minimum 99.95% fineness; and
    - d. Palladium: palladium bar of minimum 99.95% fineness.
  - (3) Oil:
    - a. Gasoline: regular gasoline that meets the quality standard of the Japan Industrial Standard K2202 Grade 2;
    - b. Kerosene: kerosene that meets the quality standard of the Japan Industrial Standard K2203 Grade 1; and
    - c. Gas oil: gas oil that meets the standard prescribed in Article 22.1 of the Ordinance for Enforcement of the Act on the Quality Control of Gasoline and Other Fuels (Ordinance of the Ministry of International Trade and Industry No 24 of 1977) and



meets the quality standard of the Japan Industrial Standard K2204 for each type corresponding to each of the Contract months as shown below.

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

- (4) Chukyo-oil:
  - a. Gasoline: regular gasoline that meets the quality standard of the Japan Industrial Standard K2202 Grade 2; and
  - b. Kerosene: kerosene that meets the quality standard of the Japan Industrial Standard K2203 Grade 1.
- (5) Aluminum: aluminum bar of minimum 99.70% purity with maximum permissible iron content 0.20% and silicon content 0.10%.
- (6) Agricultural Product & Sugar:
  - a. Soybean: GMO or non-segregated yellow soybeans produced in the U.S. that are exported as U.S. Department of Agriculture Grain Inspection Grade No. 2 prescribed in Agricultural Product & Sugar Market Management Detailed Rules, conducted Identity Preserved handling according to the Quality Labeling Standard for Perishable foods based on the Act on Standardization and Proper Quality Labeling of Agricultural and Forestry Products (Act No. 175 of May 11, 1950);
  - b. Azuki: Grading standards No.2 Azuki (red bean) produced in Hokkaido, Japan that pass the inspection based on the Agricultural Products Inspection Act (Act No. 144 of 1951) prescribed in Agricultural Product & Sugar Market Management Detailed Rules;
  - c. Corn: yellow corn No. 3 as specified in U.S. Department of Agriculture Grain Inspection produced in the U.S. (without clearing through customs); and
  - d. Raw Sugar: raw centrifugal cane sugar of a polarization of 96 degrees produced outside of Japan (without clearing through customs) prescribed in Agricultural Product & Sugar Market Management Detailed Rules.

**Article 12 (Underlying of Cash-settled Futures Transactions)**

1. The underlying products of Cash-settled Futures Transactions shall be as follows:

- (1) Cash-settled Monthly Futures Transactions
  - a. Precious Metals:
    - (i) Gold: gold bar of minimum 99.99% fineness;
    - (ii) Platinum: platinum bar of minimum 99.95% fineness;
  - b. Oil:
    - (i) Gasoline: regular gasoline that meets the quality standard of the Japan Industrial Standard K2202 Grade 2;
    - (ii) Kerosene: kerosene that meets the quality standard of the Japan Industrial Standard K2203 Grade 1;
    - (iii) Gas oil: gas oil that meets the standard prescribed in Article 22.1 of the Ordinance for Enforcement of the Act on the Quality control of Gasoline and Other Fuels (Ordinance of the Ministry of International Trade and Industry No 24 of 1977) and meets the quality standard of the Japan Industrial Standard K2204 for each type corresponding to each of the Contract months as shown below:

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

(iv) Middle East crude oil marked as the average price of Dubai crude oil.

- (2) Cash-settled Rolling Spot Futures Transactions
  - a. Precious Metals:
    - (i) Gold: gold bar of minimum 99.99% fineness; and
    - (ii) Platinum: platinum bar of minimum 99.95% fineness.
- 2. The provisions of Article 30, Article 31, Article 31-2, Article 31-3-2, Article 32, Article 33, Article 34, Article 35-2, Article 36-2, Article 38 and Article 73 shall apply *mutatis mutandis* to Cash-settled Rolling Spot Futures Transaction. In this case, the phrase “Contract Month” shall

be deemed to be replaced with “Contract Day”.

### **Article 13 (Underlying of Options Transactions)**

1. An Options Transaction shall be as set forth in each of the following Items:
  - (1) An option that a Right Holder to receive an amount obtained by multiplying the exercise unit specified in Article 17.3 and the difference between a Final Settlement Price of Options and a predetermined price (“strike price”) to exercise the Options (“exercise”), if the Final Settlement Price becomes lower than the strike price as specified in Article 64-2 (“Put Options”); or
  - (2) An option that a Right Holder to receive an amount obtained by multiplying the exercise unit specified in Article 17.3 and the difference between the Final Settlement Price and the strike price, if the Final Settlement Price becomes higher than the strike price as specified in Article 64-2 (“Call Options”).
2. The underlying product of an Options Transaction shall be Physically Delivered Futures Transaction of Gold.
3. The strike price provided for in Paragraph 1 shall be established separately for each Listed Commodity Component Product, for Put Options and Call Options, and for each traded Contract month in a manner prescribed in the Options Transactions Detailed Rules.
4. “Options series” shall refer to the classification by type of listed commodities, Put Options or Call Options, contract month and strike price established in accordance with the provisions of the preceding paragraph.
5. In cases deemed necessary by the Exchange, the Exchange may delete any of the Options series strike price established in accordance with the provisions of Paragraph 2.

### **Article 13-2 (Underlying of Physical Transactions)**

1. The underlying product of Physical Transaction shall be a gold bar with a purity of 99.99% or more in case of gold in the Precious Metals Market.

### **Article 14 (Last Trading Day of the Current Contract Month and Expiry of Cash-settled Rolling Spot Futures Transactions)**

1. The Last Trading Day of the current contract month for Physically Delivered Futures Transactions shall be the following days (to be moved up if the day falls on a holiday), and the trading on these days for the current contract month shall end at the close of the Day Session:
  - (1) Rubber: Day falling on the fourth business day before the delivery day;
  - (2) Precious Metals: Day falling on the third business day before the delivery day;
  - (3) Oil: 25th day of the month immediately preceding the current contract month for gasoline, kerosene and gas oil;
  - (4) Chukyo-oil: 25th day of the month immediately preceding the current contract month;
  - (5) Aluminum: Day falling on the third business day before the delivery day; and
  - (6) Agricultural Product & Sugar:
    - a. Soybean: 15<sup>th</sup> day of the current contract month;
    - b. Azuki: Day falling on the second business day before the delivery day;
    - c. Corn: 15<sup>th</sup> day of the month immediately preceding the current contract month; and
    - d. Raw Sugar: Day falling on the last business day of the 2 months preceding the current contract month.
2. The Last Trading Day of the current contract month for Cash-settled Monthly Futures Transactions shall be the following days and the trading on these days for the current contract month shall end at the close of the Day Session:
  - (1) Precious Metals:
    - a. Gold: A business day immediately preceding the Last Trading Day of the current contract month for Physically Delivered Futures Transaction of gold with the same contract month;
    - b. Platinum: A business day immediately preceding the Last Trading Day of the current contract month for Physically Delivered Futures Transaction of platinum with the same contract month;



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- (2) Oil:
    - a. Gasoline: the last business day of the month to which the current contract month pertains;
    - b. Kerosene: the last business day of the month to which the current contract month pertains;
    - c. Gas oil: the last business day of the month to which the current contract month pertains; and
    - d. Crude oil: the last business day of the month to which the current contract month pertains.
  3. Cash-settled Rolling Spot Futures Transaction shall expire at the end of Day Session of such Clearing Period (Clearing Period prescribed by Clearing House; the same shall apply hereinafter).
  4. The Last Trading Day of the current contract month for Options Transactions shall be the business day immediately preceding the Last Trading Day of the current contract month for the contract month of Physically Delivered Futures Transaction underlying the option, and the trading on such day for the current contract month shall end at the close of the Day Session.

#### **Article 15 (First Trading Day, etc.)**

1. The First Trading Day of a new contract month (meaning a newly created contract month; the same shall apply hereinafter) of Physically Delivered Futures Transactions shall be the business day immediately following the Last Trading Day of the current contract month, and the trading for the new contract month starts at the opening of the Day Session of said day.
2. The First Trading Day of a new contract month for Cash-settled Monthly Futures Transactions shall be the following days and the trading for the new contract month starts at the opening of the Day Session:
  - (1) Precious Metals:
    - a. Gold: A business day immediately following the Last Trading Day of the current contract month for Physically Delivered Futures Transaction of gold with the same contract month;
    - b. Platinum: A business day immediately following the Last Trading Day of the current contract month for Physically Delivered Futures Transaction of platinum with the same contract month;
  - (2) Oil:
    - a. Gasoline: a business day immediately following the last business day of the month to which the current contract month pertains;
    - b. Kerosene: a business day immediately following the last business day of the month to which the current contract month pertains;
    - c. Gas oil: a business day immediately following the last business day of the month to which the current contract month pertains; and
    - d. Crude oil: a business day immediately following the last business day of the month to which the current contract month pertains.
3. The new contract of Cash-settled Rolling Spot Futures Transaction shall start at the beginning of Clearing Period immediately following the Clearing Period prescribed in Article 14.3.
4. The First Trading Day of a new contract month for Options Transactions shall be a business day immediately following the First Trading Day of new contract month for Physically Delivered Futures Transactions with the same contract month, and the trading for the new contract month starts at the opening of the Day Session.

#### **Article 16 (Trading Periods)**

1. The trading periods for Physically Delivered Futures Transactions shall be as follows:
  - (1) Rubber: 6 Contract months within a six(6)-month period starting from the month immediately following the month containing the First Trading Day of a new contract month;
  - (2) Precious Metals: Six(6) Contract months that is an even-numbered month within a twelve(12)-month period starting from the month immediately following the month containing the First Trading Day of a new contract month;

- (3) Oil: For gasoline, kerosene and gas oil: Six(6) Contract months within a six(6)-month period starting from two(2) months after the month containing the First Trading Day of a new contract month ;
  - (4) Chukyo-Oil: Six(6) Contract months within a six(6)-month period starting from two(2) months after the month containing the First Trading Day of a new contract month;
  - (5) Aluminum: Six(6) Contract months that is an even-numbered month within a twelve(12)-month period starting from the month immediately following the month containing the First Trading Day of a new contract month; and
  - (6) Agricultural Product & Sugar:
    - a. Soybean: Six(6) Contract months that is an even-numbered month within a twelve(12)-month starting from the month immediately following the month containing the First Trading Day of a new contract month;
    - b. Azuki: Six(6) Contract months within a six(6)-month period starting from the month immediately following the month containing the First Trading Day of a new contract month; and
    - c. Corn: Six(6) Contract months that is an odd-numbered month within a twelve(12)-month period starting from two(2) months after the month containing the First Trading Day of a new contract month.
    - d. Raw Sugar: Six(6) Contract months that is an odd-numbered month within a twelve(12)-month period starting from three(3) months after the month containing the First Trading Day of a new contract month.
2. The trading period for Cash-settled Futures Transactions shall be as follows:
- (1) Cash-settled Monthly Futures Transactions
    - a. Precious Metals: For gold and platinum, the trading months shall be 6 contract months that is an even-numbered month within a twelve(12)-month period starting from the month immediately following the month containing the First Trading Day of a new contract month;
    - b. Oil:
      - (i) For gasoline, kerosene and gas oil, the trading months shall be Seven (7) contract months within as seven (7)-month period starting from the month containing First Trading Day of a new contract month; and
      - (ii) For crude oil, the trading months shall be Six(6) contract months within a six (6)-month period starting from the month containing First Trading Day of a new contract month.
  - (2) Cash-settled Rolling Spot Futures Transactions  
The trading period shall be 1 Clearing Period.
3. The trading period for Options Transactions shall be six(6) contract months that is an even-numbered month within a twelve(12)-month period starting from the month immediately following the month containing the First Trading Day of a new contract month .

#### **Article 16-2 (Rolling Spot Futures Transactions)**

1. Cash-settled Rolling Spot Futures Transactions shall be Rolling Spot Futures Transactions, which are established during the session in a given Clearing Period or as a result of the roll-over process executed at the close of the session for the Clearing Period immediately preceding said given Clearing Period, and closed through an offsetting resale or repurchase or as a result of the roll-over at the close of session in the Clearing Period in which the position was initially established.
2. The "roll-over" prescribed in the preceding paragraph means a process in which, with respect to a position of an Cash-settled Rolling Spot Futures Transaction that was not offset by resale or repurchase during the Clearing Period in which the position has existed, a position whose Contract Day coincides with said Clearing Period is closed at the close of the day session in said Clearing Period and a new position, which has the same terms as the closed position (with the Contract Day being the following Clearing Period), is simultaneously established.

#### **Article 17 (Price Quotation Unit, Price Increments, Contract Unit, Delivery Unit, Exercise Unit, etc.)**

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

Market	Listed Commodities Component Products	Price Quotation Unit	Price Increment	Contract Unit	Delivery Unit
Rubber	RSS (Ribbed Smoked Sheet)	1 kg	¥0.1	5,000 kg	
Precious Metals	Gold	1 g	¥1	1 kg	
	Silver	1 g	¥0.1	10 kg	30 kg
	Platinum	1 g	¥1	500 g	
	Palladium	1 g	¥1	500 g	3,000 g
Oil	Gasoline	1 kl	¥10	50 kl	100 kl
	Kerosene	1 kl	¥10	50 kl	100 kl
	Gas Oil	1 kl	¥10	50 kl	100 kl
Chukyo -oil	Gasoline	1 kl	¥10	10 kl	
	Kerosene	1 kl	¥10	10 kl	
Aluminum	Aluminum	1 kg	¥0.1	5,000 kg	25,000 kg
Agricultural Product & Sugar	Soybeans	1,000 kg	¥10	25,000 kg	
	Azuki	1 bag (30kg)	¥10	2,400 kg	
	Corn	1,000 kg	¥10	50,000 kg	
	Raw Sugar	1,000 kg	¥10	50,000 kg	

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

(1) Cash-settled Monthly Futures Transactions

a. Products prescribed in Article 62.1

Listed Commodities Component Products	Price Quotation Unit	Price Increment	Contract Unit
Gold	1 g	¥1	100 g
Platinum	1 g	¥1	100 g

b. Products prescribed in Article 62.2.1

Listed Commodities Component Products	Price Quotation Unit	Price Increment	Contract Unit
Gasoline	1 kl	¥10	50 kl
Kerosene	1 kl	¥10	50 kl
Gas oil	1 kl	¥10	50 kl

c. Products prescribed in Article 62.2.2

Listed Commodities Component Products	Price Quotation Unit	Price Increment	Contract Unit
Gasoline	1 kl	¥10	10 kl
Kerosene	1 kl	¥10	10 kl
Gas oil	1 kl	¥10	10 kl

## d. Products prescribed in Article 62.2.3

Listed Commodities Component Products	Price Quotation Unit	Price Increment	Contract Unit
Crude oil	1 kl	¥10	50 kl

## (2) Cash-settled Rolling Spot Futures Transactions

Listed Commodities Component Products	Price Quotation Unit	Price Increment	Contract Unit
Gold	1 g	¥1	100 g
Platinum	1 g	¥1	100 g

3. The Price Quotation Units, Price Increments, contract units and exercise units for Options Transactions shall be as follows unless otherwise prescribed in Options Transactions Detailed Rules, and the multiplying factor shall be the number of Contract unit divided by price quotation unit for the transaction, and the number of Exercise unit divided by price quotation unit for the exercise:

Listed Commodities Component Products	Price Quotation Unit	Price Increment	Contract Unit	Exercise Unit
Gold	1 g	¥1	100 g	100 g

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

## (1) Physical Transaction with delivery provided in Article 68-5.1

Listed Commodities Component Products	Price Quotation Unit	Price Increment	Contract Unit	Delivery Unit
Gold	1 g	¥1	1 kg	1 kg

## (2) Physical Transaction with delivery provided in Article 68-5.2

Listed Commodities Component Products	Price Quotation Unit	Price Increment	Contract Unit	Delivery Unit
Gold	1 g	¥1	100 g	100 g

5. Notwithstanding the provisions of Paragraph 1 to Paragraph 3, the Price Increments of the Off-floor Transaction, EFP transaction, EFS transaction and EFF transaction shall be prescribed in each Detailed Rules.

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

### **Article 18 (Method of Trade Execution)**

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

### **Article 19 (Individual Auction)**

1. Individual Auction with multi-execution method (“Zaraba”) shall be carried out through competitions among sell orders or buy orders, or between sell orders and buy orders with reference to the priority of orders prescribed in Article 20, by matching each order individually to an execution price (or execution value in the case of Index Futures Transaction; the same shall apply hereinafter) which shall be determined by a certain price at which the lowest offer and the highest bid are matched.
2. Individual Auction with single-execution method (“Ita-Awase”) set forth in each of the following Items shall be carried out through competitions among sell orders or buy orders, or between sell orders and buy orders with reference to the priority of orders prescribed in Article 20, by matching each order at one single price that maximize the total volume of sell orders and buy orders which falling between one tick higher than the highest price that order exist and one tick lower than the lowest price that order exist.
  - (1) The execution price of Opening Auction (meaning the auction at the beginning of trade session. Same shall apply hereinafter)
  - (2) The execution price of Closing Auction (meaning the auction at the end of trade session. Same shall apply hereinafter)
  - (3) The execution price of Opening Auction after temporarily suspended session or at temporarily open the session as prescribed in Article 8, Article 80, and Article 82.
3. For the purpose of applying the provisions of the preceding paragraph, if there are multiple prices that maximize the total volume of sell orders and buy orders, the execution price shall be determined in accordance with the provision provided in the System Trading Detailed Rules.

#### **Article 20 (Principles of Individual Auction)**

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

#### **Article 21 (Type of Orders)**

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

#### **Article 22 (Distribution of Bids and Offers)**

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

#### **Article 23 (Confirmation of Transaction)**

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

#### **Article 24 (Customer Type Correction)**

1. Members. may make corrections of the customer type with respect to whole or part of trades

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executed pursuant to the provisions of Article 19, Article 25, and Article 26 as prescribed in the System Trading Detailed Rules.

**Article 25 (Transfer at the Time of a Breakdown of Member Terminals)**

1. Member, who intends to request another Member to execute a transaction on its behalf due to a failure of its member terminal, shall obtain approval from TOCOM in advance.
2. In cases where Member executed a transaction on behalf of other Members as an agent pursuant to the provision of previous paragraph, the Exchange may deem that a trade has been concluded by such other Members. In this case, Members shall make such request to the Exchange by 4:00pm or by fifteen (15) minutes after the close of the session if it pertains to an Options Transaction, unless they are under unavoidable circumstances, such as a breakdown of Member Terminals.
3. The trade concluded under the name of the Members, who requested a transfer pursuant to the provisions of previous Paragraph shall be voided upon such request, and the execution of trade identical to those of the voided trades shall be newly created as a transaction concluded under the name of the other Member who the trades are transferred.

**Article 26 (Give-up)**

1. "Give-up" shall refer to the case where the whole or part of a trade concluded by a Member (hereinafter, and through Article 28-3, referred to as the "Executing Members.") is given up to another Member (hereinafter, and through Article 28-3, referred to as the "Clearing Members"), after said trade has been concluded in accordance with the provisions of Article 19, as a trade concluded by the Clearing Members (excluding cases provided for in the preceding article).
2. The trade concluded under the name of the Executing Members, as provided for in the preceding paragraph, shall be voided provided that the Exchange receives a Take-up Application, as prescribed in Article 28, and a new trade with terms identical to those of the voided trade is concluded under the name of the Clearing Members..
3. Members who intend to do Give-up provided for in Paragraph 1 shall satisfy the requirements prescribed by the Give-up Detailed Rules, conclude a give-up agreement between the Executing Members and the Clearing Members, and require prior approval of the Exchange.

**Article 27 (Give-up Application)**

1. The Executing Members may make an application for a Give-up ("Give-up Application") with the Exchange by notifying the Exchange of the contents of the trade subject to the Give-up Application and the Clearing Members pertaining to the intended Give-up. Said application shall be made with the Exchange by the time after the close of the day session of the clearing Period in which said trade was executed as provided for in the Give-up Detailed Rules.
2. Upon receipt of a Give-up Application, the Exchange shall notify the Clearing Members designated by the Executing Members of its contents.

**Article 28 (Take-up Application)**

1. The Clearing Members intending to accept the position pertaining to the Give-up Application provided for in Paragraph 2 of the preceding article, shall notify the Exchange of such intention ("Take-up Application") by the time after the close of the day session of the Clearing Period in which said trade was executed as provided for in the Give-up Detailed Rules.
2. Upon receipt of a Take-up Application, the Exchange shall notify the Executing Members who submitted the Give-up Application of the contents of the Take-up Application.
3. In the case where the Exchange does not receive a Take-up Application from the Clearing Members provided for in Paragraph 1, the Clearing Members shall be deemed to have rejected the acceptance of the trade pertaining to the Give-up Application and the give-up shall not be concluded.

**Article 28-2 (Special Provisions for Give-up Applications and Take-up**



### **Applications)**

1. Notwithstanding the provisions of Paragraph 1 of Article 27 and Paragraph 1 of the preceding article, the Executing Members and the Clearing Members may, subject to the approval of the Exchange, make a Give-up Application, etc. (meaning a Give-up Application and a Take-up Application; the same shall apply hereinafter) by the time provided for in the Give-up Detailed Rules of the third business day after the Clearing Period in which the trade subject to said Give-up Application, etc. was executed.
2. In cases where the Exchange does not receive a Take-up Application from the Clearing Members by the time limit provided for in Paragraph 1, the Clearing Members shall be deemed to have rejected the acceptance of the trade pertaining to the Give-up Application and the Give-up shall not be concluded.

### **Article 28-3 (Cancellation of Give-up)**

1. The Executing Members and the Clearing Members may, subject to the approval of the Exchange, make an application for cancellation of a Give-up Application, etc. In this case, said application shall be made by the Executing Members and the Clearing Members by the time provided for in the Give-up Detailed Rules of the third business day after the Clearing Period in which the trade subject to said application for cancellation of a Give-up Application, etc. was executed.
2. Notwithstanding the provisions of the preceding paragraph, the Executing Members and the Clearing Members are no longer permitted to make an application for cancellation of Give-up Application, etc. with regard to a trade in the current contract month in any Clearing Periods after the Clearing Period containing the Last Trading Day of the current contract month.
3. Upon receipt of an application for cancelation of Give-up Application, etc., the Exchange shall notify the Executing Members and the Clearing Members to that effect.

### **Article 29 (Special Provision for the Default Procedure)**

1. In cases where a defaulting position is processed in accordance with the provisions of Article 74.2 or Article 74.3.2, the Exchange shall deem the trade to have been concluded on the day designated by the Exchange for the quantity of sell or buy positions as per the request of the Members.
2. The provisions of the preceding paragraph shall apply *mutatis mutandis* to cases provided for in Article 73.1 through Article 73.3. In this case, the phrase "on the day designated by the Exchange" shall be deemed to be replaced with "at the price designated by the Exchange."

### **Article 30 (Restriction on Position or Transaction)**

1. The Exchange may, if deemed necessary, with respect to all or some contract months (or Options Series in the case of Options Transactions; the same shall apply hereinafter), impose on Members (meaning all-inclusive of the member types provided for in Article 87.1.5; the same shall apply in this Article and in next Chapter) restrictions set forth in each of the following items:
  - (1) Restrictions on the maximum order volume or other orders;
  - (2) Restrictions on the maximum transaction volume or other transactions;
  - (3) Restrictions on net positions, the difference between short positions (meaning positions for sale; the same shall apply hereinafter) and long positions (meaning positions for purchase; the same shall apply hereinafter), or total open positions or other positions held by a Member; and
  - (4) Restrictions on accepting the consignment of the transaction from a customer provided for in Item 1 of the following paragraph or the request of the transaction from an overseas customer provided for in Item 2 of the following paragraph.
2. The Exchange may, if deemed necessary, with respect to all or some contract months, impose restrictions provided for in Items 1 through 3 of the preceding paragraph on those set forth in each of the following items ("Customers, etc."):
  - (1) Customers;
  - (2) Overseas customers who request the transaction to Remote Broker Members (limited

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- only to non-resident);
- (3) Those who consign the transaction to those who have been granted the license in the commodity futures market by the Regulating Minister pursuant to Article 190.1 of the Act ("Commodity Futures Broker") and accept intermediation of consignment of transactions ("Intermediaries") ("Customer of Intermediaries"); and
- (4) Those who request the transaction to those who have been granted a license in a foreign country for accepting the consignment of the transaction in commodity markets of the foreign country under the provision of laws and regulations of the foreign country, which is equivalent to the license provided for in Article 190.1 of the Act in the foreign country (including registration and other administrative actions that are similar to such license), or a foreign person who is equivalent thereto ("Foreign Commodity Futures Broker").
3. The Exchange may, in case of imposing restrictions on orders provided for in the preceding two paragraphs, require a Member who placed an order exceeding the limits to cancel such excessive orders, or may, in case of imposing restrictions on the maximum volume of the difference between short positions and long positions, or total open positions or other positions provided for in the preceding two paragraphs, require a Member who has caused the positions to exceed the limits to dispose of such excessive positions.
4. In the event that transactions in the TOCOM market fall under any of Item 1, the Exchange may impose restrictions or regulations pursuant to Item 2 if deemed necessary.
- (1) Requirement
- a. In the event that the Exchange deems the transaction has been, or is likely to be abnormal;
- b. In the event that the Exchange deems fair pricing or settlement of transactions has been, or is likely to be impaired by excessive buying or selling or other detrimental activities; or
- c. Or otherwise the Exchange deems it inappropriate to allow continued execution of transactions in view of sound market administration.
- (2) Restrictions or Regulations
- a. To impose restrictions on further orders or transactions of a Member who executed such transactions, or cause said Member to dispose of the relevant positions;
- b. To impose restrictions on further orders or acceptance of transactions from the relevant customer by a Broker Member or cause said Broker Member to dispose of the relevant positions;
- c. To impose restrictions on further orders or acceptance of requests of transactions from overseas customers by a Remote Broker Member or cause said Remote Broker Member to dispose of the relevant positions; or
- d. To impose any other appropriate restrictions.
5. In the event that the Exchange recognizes or suspects that the any activities as provided for in Item 1 of previous Article are being conducted on the TOCOM market, the Exchange may request Members to provide an explanation of such activities or submit relevant materials, and if deemed particularly necessary, the Exchange may also request customers, etc. to provide explanations or submit relevant materials.
6. In the event that customers, etc. concerned refuse to provide explanations or submit relevant materials as requested pursuant to the provisions of the preceding paragraph, the Exchange may cause the Broker Member or the Remote Broker Member who accepted relevant orders from the customers, etc. to impose restrictions on further acceptance of orders from such customers, etc., to dispose of any relevant positions of such customers, etc. or may impose any other appropriate restrictions.
7. In the event that an Intermediary or a Foreign Commodity Futures Broker obliged to submit a position report to the Exchange pursuant to the provisions of the Market Management Detailed Rules applicable to each Market fails to do so, or in the event that the Exchange determines that such party has submitted a false report, the Exchange may cause the Broker Member accepting orders from such Intermediary or Foreign Commodity Futures Broker to limit all or part of transactions with such party.
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### **Article 31 (Special Transactions)**

1. In cases falling under any of the following Items, in the session of the TOCOM markets, a Broker Member or a Remote Broker Member may conclude contracts by acting as seller or buyer, at the same execution price, for the same contract month (or Contract Days in the case of Contract Day Transactions or Options Series in the case of Options Transactions) and for the same volume notified during or after the session in the manner designated by the Exchange and approved by the Exchange:
  - (1) Where a transaction is concluded by matching customer orders that could not be executed due to a breakdown of Member Terminals with other customer orders or the Member's proprietary orders at the price formed immediately after receiving the order from the customer; and
  - (2) Where it is deemed particularly necessary by the Exchange in addition to the case prescribed in the previous Item.
2. In the event that the number of trade positions in current contract month after the closing of day session on last trading day is not equal to the integral multiple of delivery unit, Members may apply to the Exchange and then conclude a contract at final settlement price of the current contract month set by the Clearing House if approved by the Exchange.
3. If the trade positions prescribed in preceding paragraph cannot be equal to the integral multiple of delivery unit by concluding contract within one Member, such Member may apply to the Exchange and then conclude a contract with other Member at final settlement price of the current contract month set by the Clearing House if approved by the Exchange.
4. The notification pursuant to the provisions of the preceding 3 paragraphs shall be made by 4:00pm after the close of the day session of such clearing Period, unless the Broker Member is under unavoidable circumstances, such as a breakdown of Member Terminals.

### **Article 31-2 (Off-floor Transactions)**

1. Off-floor Transaction is a transaction in which sell orders and buy orders with respect to Physically Delivered Futures Transactions, Cash-settled Futures Transactions, or Options Transactions are executed at the same execution price, for the same contract month (or Options series in the case of Options Transactions) and for the same volume.
2. The registration of an Off-floor Transaction shall be made through Member Terminals as provided for in the Off-floor Transactions Detailed Rules.
3. The above registration shall become effective only when the registration for sell or buy meets a corresponding registration.
4. The Exchange may cancel the Off-floor Transaction pursuant to Item 1 if it determines that such transaction is not appropriate.
5. Upon execution of registered Off-floor Transaction pursuant to Item 1 or cancelation of it pursuant to previous item, the Exchange shall notify, without delay, the Members who registered said transaction.

### **Article 31-3 (Suspension of Off-floor Transactions)**

1. Under circumstances falling under any of the following items, the Exchange may suspend all or part of Off-floor Transactions:
  - (1) Where the Exchange deems Off-floor Transactions to have been, or is likely to be abnormal, or otherwise the Exchange deems it inappropriate to allow continued execution of Off-floor Transactions;
  - (2) Where a session is temporarily suspended pursuant to the provisions of Article 8; and
  - (3) Where otherwise deemed necessary by the Exchange.

### **Article 31-3-2 (EFF Transactions)**

1. EFF Transaction is a transaction in which sell orders and buy orders with respect to Physically Delivered Futures Transactions, Cash-settled Futures Transactions, or Index Futures Transactions are executed at the same execution price, for the same contract month and for the same volume.
2. Registration of an EFF transaction shall be made through Member Terminals as provided for in the EFF Transactions Detailed Rules.

3. The above registration shall become effective only when the registration for sell or buy meets a corresponding registration.
4. The Exchange may cancel the EFF Transaction pursuant to Item 1 if it determines that such transaction is not appropriate.
5. Upon execution of registered EFF Transaction pursuant to Item 1 or cancelation of it pursuant to previous item, the Exchange shall notify, without delay, the Member who registered said transaction.

#### **Article 31-3-3 (Suspension of EFF Transactions)**

1. Under circumstances falling under any of the following items, the Exchange may suspend all or part of EFF Transactions:
  - (1) Where the Exchange deems EFF Transactions to have been, or is likely to be abnormal, or otherwise the Exchange deems it inappropriate to allow continued execution of EFF Transactions;
  - (2) Where a session is temporarily suspended pursuant to the provisions of Article 8; and
  - (3) Where otherwise deemed necessary by the Exchange.

#### **Article 32 (EFP Transactions and EFS Transactions)**

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

5. TOCOM shall, when the request made under Paragraph 3 becomes effective, notify the matter to the Members who made such a request without delay.

**Article 33 (Contract Months Eligible for Requests for EFP transactions, etc.)**

1. The contract months eligible for requesting for EFP transactions, etc. shall be the contract months provided for in Article 16.1 and Article 16.2; provided, however, that with respect to the current contract month, requests for transactions whereby a new long or short position is established after the Night Session of the fourth business day prior to the last trading day of the current contract month, (or the Last Trading Day of the current contract month for Cash-settled Futures Transactions) and requests for transactions whereby a position is closed by repurchase or resale executed after the Night Session of the business day that is the second business day prior to the Last Trading Day, are not included.

**Article 34 (Requesting Price for EFP transactions, etc.)**

1. The requesting price shall be a price agreed between the parties to the transaction, provided that it falls under any of the following Items.
  - (1) The Settlement Price of the Clearing Period to which the request in the requested contract month pertains;
  - (2) A range between the highest price and the lowest price of the requesting contract month for the Clearing Period containing the request;
  - (3) A range between plus and minus one-hundredth (1%) of the Settlement Price of the requesting contract month for the Clearing Period immediately preceding the Clearing Period containing the request;
  - (4) A range between the highest price provided for in Item 2 and the figure derived from the Settlement Price minus one-hundredth (1%) of the Settlement Price provided for in Item 3 or a range between the lowest price provided for in Item 2 and the figure derived from the Settlement Price plus one-hundredth (1%) of the Settlement Price provided for in Item 3; and
  - (5) In addition to the price specified in each of the preceding items, a price determined by the Exchange to be appropriate and reasonable in consideration of the status of trading in the Exchange.

**Article 35 (Suspension of EFP Transactions, etc.)**

1. Under circumstances falling under any of the following Items, the Exchange may suspend all or part of EFP transactions, etc.:
  - (1) Where the Exchange deems EFP transactions, etc. to have been, or is likely to be abnormal, or otherwise the Exchange deems it inappropriate to allow continued execution of EFP transactions, etc.;
  - (2) Where a session is temporarily suspended pursuant to the provisions of Article 8; and
  - (3) Where otherwise deemed necessary by the Exchange.

**Article 35-2 (Stop Loss Transactions)**

1. Stop Loss Transaction shall mean a transaction to execute trades of Physically Delivered Futures Transactions, Cash-settled Futures Transactions, or Index Futures Transactions by matching a proprietary order of a Broker Member who has concluded a contract concerning Limited Loss Transactions (meaning transactions that do not involve any risk of incurring a loss that may arise from fluctuations pertaining to commodity market prices, etc. exceeding the amount of the Customer Clearing Margin, etc. (meaning the Customer Clearing Margin prescribed by the Brokerage Rules and other Clearing Margins determined by the Broker Member as necessary for such transactions, and limited to those that have been deposited in advance for the purpose of such transactions; the same shall apply hereinafter)) ("Limited Loss Transaction Contract") with a customer and a resale or repurchase order of said Customer at the same price, in the same contract month (or the same contract day in the case of a Contract Day Transaction) and in the same volume in accordance with the provisions of the Limited Loss Transaction Contract, provided that said Broker Member has



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- made a request for such transaction to the Exchange in advance.
  2. The Limited Loss Transaction Contract prescribed in the preceding paragraph shall include the terms and conditions for Customer Clearing Margin, etc., Stop Loss Level Price (meaning a price corresponding to the amount of loss to be incurred by a customer if a customer transaction is settled or the proportion thereof to the Customer Clearing Margin, etc. at which a stop loss order (meaning a resale or repurchase order to be executed when the amount of loss to be incurred by a customer if a customer transaction is settled or the proportion thereof to the Customer Clearing Margin, etc. "Calculated Amount or Proportion of the Loss" has reached an amount agreed by said customer in advance; the same shall apply hereinafter) is executed; the same shall apply hereinafter), Maximum Stop Loss Level Price (meaning a price corresponding to the maximum Calculated Amount or Proportion of the Loss set for the execution of a stop loss order; the same shall apply hereinafter), and other matters that satisfy the requirements prescribed by the Stop Loss Transactions Detailed Rules.
  3. The Exchange shall prescribe in the Stop Loss Transactions Detailed Rules the requirements for Customer Clearing Margin, etc., Stop Loss Level Price, and Maximum Stop Loss Level Price prescribed in the preceding paragraph in a manner to prevent the potential loss to be incurred by a customer from exceeding the Customer Clearing Margin, etc. in consideration of the historical price fluctuations, etc.
  4. Requests and other matters concerning Stop Loss Transactions shall be conducted in the following manner:
    - (1) A Broker Member intending to make a request for such transaction shall submit the documents prescribed by the Stop Loss Transactions Detailed Rules to the Exchange.
    - (2) A Stop Loss Transactions shall be executed when a stop loss order has expired in accordance with the terms and conditions of the Limited Loss Transaction Contract. The Broker Member who made a request prescribed in the preceding items may not amend or cancel said request.
    - (3) When the requested transaction is executed, the Exchange shall notify the Broker Member pertaining to the request to that effect without delay.
  5. The provisions of the preceding four paragraphs excluding Item 3 of the preceding paragraph shall apply mutatis mutandis between the Customer of Intermediaries and the Intermediary.

## **Chapter 4-2 Trading, etc. of Physical Transactions**

### **Article 35-2-2 (Subject)**

1. Notwithstanding the provisions of Chapter 2 (except Articles 7 and 8) and Chapter 4 (except Article 23, Paragraph 2 and Article 29, Paragraph 1), Physical Transactions shall be conducted in accordance with the provisions of this chapter.

### **Article 35-2-3 (Trading Hours of Physical Transactions)**

1. Trading hours of Physical Transactions shall be from 10:00 am until 02:30 pm.

### **Article 35-2-4 (Conclusion of Physical Transactions)**

1. The method to conclude a Physical Transaction shall be an individually negotiated transaction between the Members. The Members shall input matters specified in the Physical Transactions Detailed Rules into the system using a computer, etc. installed by TOCOM (hereinafter "IN system") to conduct the trade.
2. The provisions of Article 80 and Article 124 shall apply mutatis mutandis the trading of Physical Transactions (exclude the provisions of Article 80.1.6). In this case, the statement of "the electronic trading system" and "System Trading" described in the Articles shall be replaced with the statement of "IN system" and "the individually negotiated transactions".



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**Article 35-2-5 (Negotiated Transactions)**

1. A negotiated transaction shall be effectively concluded only when the Members agree to Good Delivery Materials, a delivery place, a delivery price, and other matters as specified in the Physical Transactions Detailed Rules through the IN system.
2. The Exchange shall, after the conclusion of such transaction, notify the matter to the Members who made such a request without delay.

**Article 35-2-6 (Restrictions on Physical Transactions)**

1. The provisions of Article 30 shall apply mutatis mutandis to the trading of Physical Transactions. In this case, the statement of "All or part of contract months" described in Article 30, Paragraphs 1 and 2 shall be replaced with the statement of "Physical Transactions".

**Chapter 4-3 Settlement of Transactions**

**Article 35-3 (Settlement of Transaction in Commodity Markets)**

1. The Exchange shall designate the Clearing House as a commodity clearing organization (meaning those who were granted a license by the Regulating Minister to engage in the business of assuming commodity transaction debts prescribed in Article 167 of the Act; the same shall apply hereinafter) to conduct the business of assuming commodity transaction obligations for the transactions executed in commodity markets of the Exchange.
2. The settlement of transactions executed in commodity markets of the Exchange shall be made between a Clearing Participant and the Clearing House in accordance with the provisions of the Business Rules of the Clearing House.
3. Matters concerning the settlement of transactions executed by a Member who does not have clearing qualification (meaning clearing qualification prescribed by the Business Rules of the Clearing House; the same shall apply hereinafter) at the Clearing House ("Non-clearing Participant") shall be carried out between the Non-clearing Participant and the Clearing Participant to whom the Non-clearing Participant has consigned the Commodity Clearing Transaction, in accordance with the provisions of Article 127.

**Chapter 5 Clearing of Futures Transactions**

**Article 36 (Settlement Price)**

1. The Settlement Price of Physically Delivered Futures Transactions, Cash-settled Futures Transactions, Index Futures Transaction and Options Transaction shall be the price determined by the Clearing House after the Exchange notifies the Clearing House of the price enumerated in each of the following Items:
  - (1) For Physically Delivered Futures Transactions, Cash-settled Oil Monthly Futures Transactions and Index Futures Transactions, the final Execution Price of Individual Auction of said Clearing Period except the execution price prescribed in the System Trading Detailed Rules; provided, however, if there is no execution price during the Clearing Period, the Settlement Price of the immediately preceding Clearing Period (or the immediately preceding contract month in case of a new contract month);
  - (2) For Cash-settled Monthly Futures Transactions, the Settlement Price of the Physically Delivered Gold Futures Transaction for the same contract month in the same Clearing Period;
  - (3) For Cash-settled Monthly Platinum Futures Transactions, the Settlement Price of the

- Physically Delivered Platinum Futures Transaction for the same contract month in the same Clearing Period;
- (4) For Cash-settled Rolling Spot Gold Futures Transactions, the theoretical physical transaction price as specified in Article 63-2;
  - (5) For Options Transactions, a price obtained using a method as specified in the Options Transactions Detailed Rules;
  - (6) Notwithstanding the provisions of Item 1, For Physically Delivered Futures Transactions on the last trading day of the current contract month, the volume-weighted average price calculated based on execution prices and volume formed through Individual Auction during the Day Session; provided, however, that the same shall not apply to the price and volume prescribed by the System Trading Detailed Rules. If there is no execution price during the Clearing Period, the Settlement Price of the immediately preceding Clearing Period; and
  - (7) When the Exchange determines that the price obtained in any of the preceding items is not appropriate, a price of other contract month during the same Clearing Period or a price determined by the Exchange considering market condition.
2. Notwithstanding the provisions of Paragraph 1, when a trading order is not executed in all contract months (or Option Series in case of Options Transactions) or a session is not conducted due to an Exchange holiday, etc., and if the Exchange determines it necessary, the price determined by the Exchange will be notified to the Clearing House.

**Article 37 (Execution Price Differential, Settlement Price Differential, and Strike Price Differential)**

1. For Physically Delivered Futures Transactions, Cash-settled Futures Transactions, and Index Futures Transaction, the Execution Price Differential shall be the difference between the Settlement Price and the execution price for a given Clearing Period.
2. For Physically Delivered Futures Transactions, Cash-settled Futures Transactions, and Index Futures Transaction, the Settlement Price Differential shall be the difference between the Settlement Price for a given Clearing Period and the Settlement Price for the immediately preceding Clearing Period.
3. For Options Transactions, the Strike Price Differential shall be the difference between the Final Settlement Price and the strike price multiplied by an Exercise Unit Multiplier specified in Article 64-2.

**Article 38 (Notification of Off-set Transaction)**

1. Members shall classify the Physically Delivered Futures Transactions, Cash-settled Futures Transactions, Index Futures Transaction, and Options Transactions executed for each Clearing Period into proprietary or customer positions, and new short, new long, repurchase, or resale positions and notify to the Exchange the trading volume per contract month (or Option Series in case of Options Transactions) as prescribed in the Systems Trading Detailed rules.
2. Members who intends to do the give-up and take-up transaction shall make an Off-set Notification for the trade subject to the Give-up Notification or the cancellation of Give-up Notification, and the trade related to such Give-up transaction.
3. The Exchange shall adjust the number of position of said Members based on the Off-set Notification made in accordance with the provisions of the preceding two paragraphs.
4. The Exchange shall notify the particulars of the Off-set Notification made in accordance with the provisions of Paragraphs 1 and 2 to the Clearing House.
5. Non-clearing Participants who made an Off-set Notification in accordance with the provisions of Paragraphs 1 and 2 shall notify the contents of such Notification to the Designated Clearing Participant (meaning those provided for in Article 127.1; the same shall apply hereinafter) for each Clearing Period without delay.
6. With respect to positions resulting from Physically Delivered Futures Transactions, Cash-settled Futures Transactions, Index Futures Transaction, and Options Transactions executed by Members for each Clearing Period, in cases where abnormal circumstances arise due to fluctuation of market prices or other factors or otherwise deemed particularly necessary by the Exchange, or when instructed by the Regulating Minister, the Exchange

may require Members to submit reports on relevant matters.

**Article 38-2 (Notification of Physical Transaction)**

1. The Exchange shall notify the particulars of positions resulting from Physical Transactions conducted by Members for each Clearing Period to the Clearing House.
2. The Non-Clearing Participant shall notify the particulars of positions resulting from Physical Transactions for each Clearing Period to the Designated Clearing Participant without delay.
3. The Exchange may cause Members to report necessary matters with regard to positions resulting from Physical Transactions for each Clearing Period when the Exchange deems it especially necessary in the event of extraordinary incidents such as the fluctuation of the market, or when the Regulating Minister gives a special instruction.

**Article 39 (Receipt and Payment of Execution Price Differential, Settlement Price Differential, Strike Price Differential, and Options Premium)**

1. The Execution Price Differential, Settlement Price Differential, Strike Price Differential and Options Premium shall be classified into amounts for the customer's positions and for proprietary positions, and these amounts shall be received and paid between the Clearing House and a Clearing Participant in a manner prescribed by the Business Rules of the Clearing House and between a Designated Clearing Participant and a Non-clearing Participant. In such cases, a paying Non-clearing Participant shall deliver funds to the Designated Clearing Participant by the date and time specified by the Designated Clearing Participant, but no later than the settlement cutoff time prescribed by the Clearing House.

**Chapter 6 Clearing Margins**

**Article 40 (Clearing Margins)**

1. Clearing Margins shall be deposited to the Clearing House to ensure the performance of a Clearing Participant's obligations to pay or deliver to the Clearing House, and the Non-clearing Participant's obligations owed to a Clearing Participant with respect to the transactions in the TOCOM market.
2. Clearing Margins required to be deposited for transactions in the TOCOM market shall be as follows:
  - (1) Required amount of Clearing Margin means a margin deposited with the Clearing House in accordance with the Clearing Margins Rules prescribed by the Clearing House pursuant to the provisions of its Business Rules ("Clearing Margins Rules") for outstanding positions in the TOCOM market (provided that such margin is applicable only to short positions in case of Options Transactions); and
  - (2) Delivery Clearing Margin means a margin deposited with the Clearing House for delivery position in case of settlement by delivery in the TOCOM market by noon on the business day immediately following the Last Trading Day of the current contract month (or the determined day in case of early delivery and declared delivery).

**Article 41 (Clearing Margins for Clearing Participants)**

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

**Article 42 (Deposit of Clearing Margins for Proprietary Positions by Non-clearing Participants)**

1. For proprietary positions (limited to short positions in the case of Options Transactions; the same shall apply hereinafter) and delivery positions, a Non-clearing Participant shall deposit with a Designated Clearing Participant an amount not less than the Clearing Margin

Maintenance Amount for proprietary positions prescribed by the Clearing Margins Rules. In such cases, said Clearing Margin may be deposited in the form of securities, warehouse receipts or foreign currencies (limited to those prescribed by the Clearing Margins Rules; "Substitute Securities and Other Instruments").

2. Notwithstanding the provisions of the preceding paragraph, in case where a Non-clearing Participant has concluded a contract with a "Bank, etc." (meaning a Bank, etc. provided for in Article 44.1 of the Ordinance for Enforcement of the Commodity Futures and Exchange Act (Ordinance of the Ministry of Agriculture, Forestry and Fisheries and the Ministry of Economy, Trade and Industry No. 3 of 2005; "Ordinance")) upon approval of the Clearing House pursuant to the provisions of Article 103.8 of the Act as applied mutatis mutandis in Article 179.8 thereof and has notified the Clearing House of the contract agreement, the Clearing House may grant a deferral of the deposit to be made by the Non-clearing Participant within the amount specified by said contract in accordance with the provisions of the Clearing Margins Rules.

#### **Article 43 (Deposit of Clearing Margins for Customer Positions by Non-clearing Participants who are Broker Members)**

1. For customer positions and delivery positions, a Non-clearing Participant who is a Broker Member (hereinafter in this article referred to as simply "Non-clearing Participants") shall deposit with a Designated Clearing Participant the amount not less than the Clearing Margin Maintenance Amount for customer positions provided for in the following paragraph.
2. The Clearing Margin Maintenance Amount for customer positions shall be the aggregate amount of the Clearing Margin Maintenance Amount for each customer prescribed by the Clearing Margins Rules.
3. In the case where a customer deposits Clearing Margins, a Non-clearing Participant shall, acting as the agent of the customer, deposit with a Designated Clearing Participant the Required Deposit Amount of the customer calculated in accordance with the provisions of the Clearing Margins Rules.
4. Notwithstanding the provisions of the preceding paragraph, during a period of four (4) business days from the day on which a customer deposited Clearing Margins, a Non-clearing Participant may deposit as Clearing Margins with a Designated Clearing Participant an amount not less than the sum of the amount of money deposited and the market value (meaning the market value determined by the Clearing House; the same shall apply hereinafter) of the Substitute Securities and Other Instruments by said customer as Clearing Margins. In such cases, said Clearing Margins may be deposited in the form of Substitute Securities and Other Instruments.
5. In cases where a customer deposits Customer Margin (meaning the money and Substitute Securities and Other Instruments deposited with the Clearing House for its management by a Non-clearing Participant through a Designated Clearing Participant acting as the agent of said Non-clearing Participant, the amount of which is not less than the amount of the money and Substitute Securities and Other Instruments deposited by the customer as such Customer Margin subject to prior written consent of the customer to deposit such Customer Margin; the same shall apply hereinafter in this Article, Article 45.2 and Article 45.4), the Non-clearing Participant shall deposit with the Designated Clearing Participant the Required Deposit Amount of margin for the customer calculated in accordance with the provisions of the Clearing Margins Rules, in the form of money and Substitute Securities and Other Instruments. In such cases, a Non-Clearing Participant shall deposit as a Clearing Margin an amount not less than the sum of the amount of money and the market value of the Substitute Securities and Other Instruments deposited by the customer as the Customer Margin.
6. Notwithstanding the provisions of the preceding paragraph, in cases where a Non-clearing Participant has concluded a contract with a bank, etc. upon approval of the Regulating Minister pursuant to the provisions of Article 103.7 of the Act as applied mutatis mutandis in Article 179.7 thereof and has notified the Clearing House of the contract, the Clearing House may grant a deferral of the deposit to be made by the Non-clearing Participant within the amount specified by said contract in accordance with the provisions of the Clearing Margins Rules.
7. For the purpose of applying the provisions of Paragraphs 3 through 6, if the sum of the amount of money and the appraised value of Substitute Securities and Other Instruments

determined by using the allocation price (meaning the allocation price prescribed by the Clearing House; the same shall apply hereinafter) deposited as Clearing Margin or Customer Margin by each customer with a Non-clearing Participant is less than the Clearing Margin Maintenance Amount for customer positions provided for in the Clearing Margins Rules, the Non-clearing Participant shall deposit as Clearing Margin with the Designated Clearing Participant an amount of money not less than the difference between such Clearing Margin Maintenance Amount and the amount of Clearing Margin or Customer Margin deposited by said customers. In such cases, said Clearing Margin may be deposited in the form of Substitute Securities and Other Instruments.

8. Notwithstanding the provisions of Paragraph 3, in cases where a customer deposits Clearing Margin in the form of Substitute Securities and Other Instruments, if it is appropriated for the satisfaction of obligations of the customer in accordance with the provisions of the Brokerage Rules of the Exchange, the Non-clearing Participant shall deposit Clearing Margins pursuant to the provisions of Paragraph 4 until such Substitute Securities and Other Instruments are converted into cash. In such cases, handling of such Substitute Securities, etc. shall be subject to the Clearing Margins Rules.

#### **Article 43-2 (Deposit of Clearing Margins for Customer Positions by Non-clearing Participants who are Remote Trade Members)**

1. For customer positions and delivery positions, a Non-clearing Participant who is Remote Trade Member (hereinafter in this article referred to as simply "Non-clearing Participants") shall deposit with a Designated Clearing Participant the amount not less than the Clearing Margin Maintenance Amount for customer positions provided for in the following paragraph. In such cases, said Clearing Margins may be deposited in the form of Substitute Securities and Other Instruments.
2. The Clearing Margin Maintenance Amount for customer positions shall be the amount prescribed by the Clearing Margins Rules.
3. In the case where a customer deposits Clearing Margins (meaning the money and Substitute Securities and Other Instruments deposited with the Clearing House for its management by a Non-clearing Participant through a Designated Clearing Participant acting as the agent of said Non-clearing Participant; the same shall apply hereinafter in this Article, Article 45.3 and Article 45.5), the Non-clearing Participant shall deposit with the Designated Clearing Participant the Required Deposit Amount of margin for the customer calculated in accordance with the provisions of the Clearing Margins Rules, in the form of money and Substitute Securities and Other Instruments as Clearing Margin. In such cases, a Non-Clearing Participant shall deposit as a Clearing Margin an amount not less than the sum of the amount of money and the market value of the Substitute Securities and Other Instruments deposited by the customer as the Customer Margin.
4. For the purpose of applying the provisions of Paragraphs 3, if the sum of the amount of money and the appraised value of Substitute Securities and Other Instruments determined by using the allocation price deposited as Clearing Margin or Customer Margin by a customer with a Non-clearing Participant is less than the Clearing Margin Maintenance Amount for customer positions provided for in the Clearing Margins Rules, the Non-clearing Participant shall deposit as Clearing Margin with the Designated Clearing Participant an amount of money not less than the difference between such Clearing Margin Maintenance Amount and the amount of Customer Margin deposited by said customers. In such cases, said Clearing Margin may be deposited in the form of Substitute Securities and Other Instruments.

#### **Article 44 (Cutoff Time for Deposit of Clearing Margins Applied to Non-clearing Participants)**

1. The deposit of Clearing Margins provided for in the preceding three articles shall be made with an explicit indication of the classification prescribed by the Clearing Margins Rules by the date and time specified by a Designated Clearing Participant, but no later than the deposit cutoff time prescribed by the same Regulation.



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**Article 45 (Maintaining of Clearing Margins by Non-clearing Participants)**

1. In cases where the sum of the amount of money, the appraised value of Substitute Securities, etc. determined by using the allocation price and the amount of deferral of deposit granted pursuant to the provisions of the Clearing Margins Rules deposited as Clearing Margins for proprietary positions with a Designated Clearing Participant is less than the Clearing Margin Maintenance Amount for proprietary positions provided for in the Clearing Margins Rules, a Non-clearing Participant shall additionally deposit with the Designated Clearing Participant an amount of money not less than the amount of the shortfall as Clearing Margin for proprietary positions by the date and time specified by the Designated Clearing Participant, but no later than the deposit cutoff time prescribed by the Clearing Margins Rules. In such cases, said Clearing Margin may be deposited in the form of Substitute Securities and Other Instruments.
2. In cases where the sum of the amount of money and the market value of Substitute Securities and Other Instruments deposited with a Designated Clearing Participant as Clearing Margin for the customer positions pursuant to the provisions of Paragraphs 3 through 6 and Paragraph 8 of Article 43 is less than the sum of the amount of money and the market value of Substitute Securities and Other Instruments deposited by the customer as Clearing Margin or Customer Margin, the Non-clearing Participant who is a Broker Member shall additionally deposit with the Designated Clearing Participant an amount of money not less than the amount of shortfall as Clearing Margin for customer positions by the date and time specified by the Designated Clearing Participant, but no later than the deposit cutoff time prescribed by the Clearing Margins Rules pursuant to the provisions of Paragraphs 3 through 6 and Paragraph 8 of Article 43.
3. In cases where the sum of the amount of money and the market value of Substitute Securities and Other Instruments deposited with a Designated Clearing Participant as Clearing Margin for the customer positions pursuant to the provisions of Paragraphs 3 of Article 43-2 is less than the sum of the amount of money and the market value of Substitute Securities and Other Instruments deposited by the customer as Customer Margin, the Non-clearing Participant who is a Remote Broker Member shall additionally deposit with the Designated Clearing Participant an amount of money not less than the amount of shortfall as Clearing Margin for customer positions by the date and time specified by the Designated Clearing Participant, but no later than the deposit cutoff time prescribed by the Clearing Margins Rules pursuant to the provisions of Paragraphs 3 of Article 43-2.
4. In cases where the sum of the amount of money and the appraised value of Substitute Securities and Other Instruments determined by using the allocation price deposited as Clearing Margin or Customer Margin by each customer is less than the Clearing Margin Maintenance Amount for customer positions prescribed by the Clearing Margins Rules, a Non-clearing Participant who is a Broker Member shall additionally deposit with a Designated Clearing Participant the amount of money not less than an amount of the shortfall as Clearing Margin for customer positions by the date and time specified by the Designated Clearing Participant, but no later than the deposit cutoff time prescribed by the Clearing Margins Rules pursuant to the provisions of Article 43.7.
5. In cases where the sum of the amount of money and the appraised value of Substitute Securities and Other Instruments determined by using the allocation price deposited as Customer Margin by each customer is less than the Clearing Margin Maintenance Amount for customer positions prescribed by the Clearing Margins Rules, a Non-clearing Participant who is a Remote Broker Member shall additionally deposit with a Designated Clearing Participant the amount of money not less than an amount of the shortfall as Clearing Margin for customer positions by the date and time specified by the Designated Clearing Participant, but no later than the deposit cutoff time prescribed by the Clearing Margins Rules pursuant to the provisions of Article 43-2.4.

**Article 46 (Notification of Clearing Margin Maintenance Amount, etc. by Non-clearing Participants)**

1. A Non-Clearing Participant shall notify a Designated Clearing Participant of the Clearing Margin Maintenance Amount for proprietary positions, the Clearing Margin Maintenance Amount for customer positions, and the Required Deposit Amount by category prescribed by the Clearing Margins Rules by the time specified by the Designated Clearing Participant on



- every business day.
2. In the case referred to in the preceding paragraph, the value of the Substitute Securities and Other Instruments shall be appraised by using the allocation price applicable to the deposit date pertaining to said notification.

## **Chapter 7 Delivery and Final Settlement, etc.**

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

#### **Article 47 (Settlement by Delivery)**

1. The settlement by delivery for Physically Delivered Futures Transactions shall be carried out by Clearing Participants in a manner prescribed by the Delivery Detailed Rules applicable to each Market, in addition to the provisions of this section. However, a Non-clearing Participant may carry out such delivery directly, provided that there is a special provision in the Clearing Agreement (meaning the clearing agreement prescribed by the Business Rules of the Clearing House; the same shall apply hereinafter) with the Designated Clearing Participant of said Non-clearing Participant and it is approved by the Exchange. In such cases, the delivery by the Non-clearing Participant shall be deemed to be a delivery carried out by the Designated Clearing Participant of the Non-clearing Participant.
2. Notwithstanding the delivery conditions prescribed by the Exchange, in the cases where the delivery carried out in a manner agreed by the delivery parties as provided for in Article 58-2 ("ADP"; the same shall apply hereinafter), the phrase "the Delivery Detailed Rules applicable to each Market" in previous paragraph shall be deemed to be replaced with "the Delivery Detailed Rules applicable to each Market and the ADP Detailed Rules".
3. Notwithstanding the provisions of the preceding paragraph 1, an Acceptor of non-delivery position prescribed in Article 73.2.1 pursuant to the Article 73.2 and 73.3 who could not resale or repurchase the positions established as a result of being counterparty of offsetting the Defaulting Non-delivery Positions ("Defaulting Non-delivery Position" prescribed in Article 71.1) by the last trading day of such contract may apply to the Exchange and close the positions without doing delivery if deemed necessary by the Exchange. In such case, said position shall be deemed to be resold or repurchased at the delivery price provided in Article 51, and said Acceptor of non-delivery position shall pay the amount of additional compensation pertaining in accordance with the provisions of the Detailed rules for Determination of Additional Compensation Pertaining the Default Procedure.

#### **Article 48 (Good Delivery Materials)**

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

#### **Article 49 (Delivery Points)**

1. The delivery points shall be as follows:
  - (1) For the Rubber Market, the delivery points shall be warehouses designated by the Exchange among commercial warehouses located in Tokyo, Kanagawa, Chiba, Saitama, Gunma, Tochigi, Ibaraki, Shizuoka, and Aichi;
  - (2) For the Precious Metals Market, the delivery points shall be warehouses designated by the Exchange among commercial warehouses located in Tokyo and Kanagawa;
  - (3) For the Oil Market (excluding crude oil; the same shall apply hereinafter in this chapter), the delivery points shall be places designated by the Exchange among refineries or storage facilities ("refineries and other facilities") having marine shipment facilities located in Tokyo, Kanagawa and Chiba;
  - (4) For the Chukyo-oil Market, the delivery points shall be places designated by the Exchange among storage facilities having overland shipment facilities located in

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- Shiomi-Cho, Minato-Ku, Nagoya-City, Aichi or Asuka-Village, Ama-Gun, Aichi;
- (5) For the Aluminum Market, the delivery points shall be warehouses designated by the Exchange among commercial warehouses in Japan; and
- (6) For the Agricultural Product & Sugar Market:
- a. Soybean: the delivery points shall be warehouses designated by the Exchange among commercial warehouses located in Tokyo, Kanagawa, Chiba, Saitama, and Ibaraki;
  - b. Azuki: the delivery points shall be warehouses designated by the Exchange among commercial warehouses located in Tokyo, Kanagawa, Chiba, Saitama, and Hokkaido;
  - c. Corn: the delivery points shall be the berths designated by the Exchange among the berths that can deliver (meaning delivery of the commodity to be delivered; the same shall apply hereinafter) located in Kawasaki Port, Yokohama Port, Chiba Port, and Kashima Port; and
  - d. Raw Sugar: the delivery points shall be the port designated by the Exchange among the port that can deliver ("Delivery Port").
2. Among the regions for the delivery points of the Rubber Market provided for in Item 1 of the preceding paragraph, Shizuoka and Aichi may be applied only to delivery for cases that are deemed necessary by the Exchange, provided that such application is prescribed by the Rubber Market Management Detailed Rules.

#### **Article 50 (Delivery Date and Time)**

1. Delivery date and time shall be as below:
  - (1) For the Rubber Market, delivery date and time shall be noon on the last business day of each month; provided, however, that the delivery date and time in December shall be noon on the 28<sup>th</sup> (in case the day falls on a holiday or the Last Trading Day of the year, they shall be moved up);
  - (2) For the Precious Metals Market and the Aluminum Market, delivery date and time shall be noon on the last day of even months; provided, however, that the delivery date and time in December shall be noon on the 28<sup>th</sup> (in case the day falls on a holiday or the Last Trading Day of the year, they shall be moved up);
  - (3) For the Oil Market and the Chukyo-oil Market, delivery date and time shall be within the period from the first day to the last day of the current contract month, and the deadline for delivery procedures shall be noon on the business day immediately preceding the delivery day; and
  - (4) Agricultural Product & Sugar Market:
    - a. For the Soybean Market, delivery date and time shall be noon on the business day specified by the Deliverer within the period from the three business days after the last trading day of the current contract to the last business day of the current contract month (shall be three business days prior to the last business day in case of December);
    - b. For the Azuki Market, delivery date and time shall be noon on the business day immediately preceding the last business day of the month; provided, however, that the delivery date and time in December shall be noon on the 24<sup>th</sup> (in case the day falls on a holiday, they shall be moved up);
    - c. For the Corn Market, delivery date and time shall be noon on the business day immediately preceding the first expected delivery date within the period from the first day to the last day of the current contract month; and
    - d. For the Raw Sugar Market, delivery date and time shall be noon on the business day immediately preceding the first expected delivery date, within the period from the 15<sup>th</sup> day of the month immediately preceding the current contract month to the last day of the current contract month, unless otherwise be provided by Agricultural Product & Sugar Delivery Detailed Rules.

#### **Article 51 (Delivery Price)**

1. The delivery price shall be the final Settlement Price of the current contract month as determined by the Clearing House.

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**Article 52 (Delivery Payment)**

1. In case of the delivery of Standard Grade Material, the delivery payment shall be an amount calculated by multiplying the delivery price by the delivery volume (provided, however, that for gasoline, such amount shall include any gasoline tax and local gasoline tax applicable to said delivery volume and that for gas oil, such amount shall include any gas oil delivery tax applicable to said delivery volume) (any amount less than one (1) yen shall be rounded down).
2. The delivery payment for delivery of Good Delivery Material other than Standard Grade Material in the Rubber Market or the Agricultural Product & Sugar Market shall be the amount of the delivery price adjusted for the price differential between Standard Grade Material and the Good Delivery Material, prescribed by the Rubber Delivery Detailed Rules or the Agricultural Product & Sugar Delivery Detailed Rules, multiplied by the delivery volume.

**Article 53 (Consumption Tax Applicable to Delivery)**

1. Consumption tax (including local consumption tax; the same shall apply hereinafter) imposed on delivery shall be the amount (any amount less than one (1) yen shall be rounded down) calculated using the delivery payment as the tax base.

**Article 54 (Warehouse Receipt and Shipping Request for Commodities to be Delivered)**

1. Delivery in the Rubber Market, the Precious Metals Market, the Aluminum Market, and the Soybean and Azuki Markets in the Agricultural Product & Sugar Market shall be carried out with warehouse receipts issued by warehouse companies designated by the Exchange pursuant to the provisions of Article 49 ("Approved Warehouse"). However, in case of the Rubber Market, The Precious Metals Market, and the Aluminum Market, upon consent of the receiving party, if an Approved Warehouse confirms that the commodities to be delivered are in stock, the warehouse receipt may be replaced with a Delivery Order confirming that the cargo shall be delivered only in exchange for the Delivery Order (limited to those within three (3) months after the date of its issuance; the same shall apply hereinafter).
2. Delivery in the Oil Market and the Chukyo-oil Market shall be carried out with a Shipping Request, Shipping Order, or other delivery documents ("Shipping Request and other documents") prescribed by the Oil Delivery Detailed Rules or the Chukyo-oil Delivery Detailed Rules and issued by the seller, the refineries and other facilities provided for in Article 49.1.3 or the storage facilities provided for in Article 49.1.4 based on the instructions of the seller.
3. Delivery of Corn and Raw Sugar in the Agricultural Product and Sugar Market shall be carried out with a Bill of Lading, Delivery Order, or other delivery documents prescribed by the Agricultural Product & Sugar Delivery Detailed Rules issued by the seller or the shipping company etc. based on the instructions of the seller.
4. Notwithstanding the provisions of Paragraph 1, delivery in the Rubber Market, the Precious Metals Market (limited to delivery pertaining to Listed Commodity Component Products prescribed by the Precious Metals Delivery Detailed Rules), the Aluminum Market, and Agricultural Product & Sugar Market (limited to Listed Commodity Component Products prescribed by the Agricultural Product & Sugar Delivery Detailed Rules) pursuant to the provisions of Articles 57 and 58 may be carried out in a manner prescribed by the Rubber Delivery Detailed Rules, the Precious Metals Delivery Detailed Rules, the Aluminum Delivery Detailed Rules and the Agricultural Product & Sugar Delivery Detailed Rules.

**Article 55 (Storage Costs until Completion of Delivery)**

1. The seller shall bear the storage costs, the insurance premium, and the shipping fees for the Soybean and Azuki of Agricultural Product & Sugar Market, for the warehouse receipt or the Delivery Order, to be settled by delivery, until the period containing the delivery day.

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### **Article 56 (Early Delivery)**

1. Members holding outstanding positions for the current contract month in the Rubber Market, the Precious Metals Market, and the Agricultural Product & Sugar Market may make delivery for these positions, in whole or in part, earlier than the delivery day prescribed in Article 50 ("Early Delivery"; the same shall apply in this article).
2. Notwithstanding the provisions of Article 50 and Article 51, Early Delivery provided for in the preceding paragraph may be made.

### **Article 57 (Declared Delivery)**

1. Members holding outstanding positions for the current contract month in the Rubber Market, the Precious Metals Market (limited to delivery pertaining to Listed Commodity Component Products prescribed by the Precious Metals Delivery Detailed Rules), the Oil Market, the Chukyo-oil Market, the Aluminum Market, and the Agricultural Product & Sugar Market (limited to delivery pertaining to Listed Commodity Component Products prescribed by the Agricultural Product & Sugar Delivery Detailed Rules) may make delivery for these positions, in whole or in part, earlier than the delivery day provided for in Article 50 ("Declared Delivery"; the same shall apply in this article).
2. Notwithstanding the provisions of Articles 48 through Article 51, Declared Delivery provided for in the preceding paragraph may be made.

### **Article 58 (Customized Delivery)**

1. Members making delivery in the Rubber Market, the Precious Metals Market (limited to delivery pertaining to Listed Commodity Component Products prescribed by the Precious Metals Delivery Detailed Rules), the Oil Market, the Chukyo-oil Market, the Aluminum Market, and Agricultural Product & Sugar Market (limited to delivery pertaining to Listed Commodity Component Products prescribed by the Agricultural Product & Sugar Delivery Detailed Rules) may negotiate the terms of delivery between themselves within the period prescribed by the Rubber Delivery Detailed Rules, the Precious Metals Delivery Detailed Rules, the Oil Delivery Detailed Rules, the Chukyo-oil Delivery Detailed Rules, the Aluminum Delivery Detailed Rules, and the Agricultural Product & Sugar Delivery Detailed Rules and upon agreement, the delivery may be made between such Members ("Customized Delivery").
2. Notwithstanding the provisions of Articles specified as below, Customized Delivery provided for in the preceding paragraph may be made.
  - (1) For the Rubber Market, the Precious Metals Market, the Oil Market and the Chukyo-oil Market: Article 48 and Article 49.
  - (2) For the Agricultural Product & Sugar Market;
    - a. Article 48, Article 49 and Article 51 for Soybean; and
    - b. Article 48 through Article 50 for Raw Sugar.

### **Article 58-2 (ADP)**

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

### **Article 59 (Settlement by Delivery of Gas Oil)**

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

### **Article 60 (Notification Concerning Delivery of Gas Oil)**

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

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

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

### **Article 61 (Final Settlement Day)**

1. The Final Settlement Day shall be the day enumerated in each of the following Items:
  - (1) Precious Metals: For gold and platinum, a business day immediately following the Last Trading Day of the current contract month; and
  - (2) Oil: The business day immediately following the Last Trading Day of the current contract month.

### **Article 62 (Final Settlement Price)**

1. The Final Settlement Price of Precious Metals shall be the price enumerated in each of the following Items and the Exchange shall notify the Clearing House of such price.
  - (1) For gold, the first execution price established after the opening of the Day Session on Last Trading Day for Physically Delivered Futures Transactions of gold with same contract month as it of said cash-settled futures transactions. If there is no executed trade after the opening of the Day Session said settlement price shall be the price determined by the Exchange; and
  - (2) For platinum, the first execution price established after the opening of the Day Session on Last Trading Day for Physically Delivered Futures Transactions of platinum with same contract month as it of said cash-settled futures transactions. If there is no executed trade after the opening of the Day Session said settlement price shall be the price determined by the Exchange.
2. The Final Settlement Price of Oil products provided in each of the following items shall be determined based on the calculation method prescribed by the Oil Final Settlement Price Determination Detailed Rules and the Exchange shall notify the Clearing House of such price.
  - (1) Gasoline, kerosene or gas oil, which is applicable to deliver at marine shipment facilities located in Tokyo, Kanagawa and Chiba;
  - (2) Gasoline, kerosene or gas oil, which is applicable to deliver at overland shipment facilities located in Tokyo, Kanagawa and Chiba; and
  - (3) Crude oil.

### **Article 62-2 (Settlement Method for Current Contract Month Positions)**

1. For any current contract month positions, at the close of the Session of the Last Trading Day, contracts for sale or purchase shall be settled by deeming that such positions are offset by resale or repurchase at the Final Settlement Price provided for in the preceding article as of the Final Settlement Day provided for in Article 61.

### **Article 62-3 (Delivery on Request for Cash-settled Monthly Futures Transactions)**

1. Notwithstanding the provisions of previous Article, Members holding outstanding positions for the current contract month who made an agreement within themselves may apply to the Exchange and settle such positions by delivery if it deemed necessary by the Exchange.
2. Members who intend to settle the positions by delivery prescribed in previous paragraph shall deliver in the manner and condition prescribed in following Section ("Delivery on Request for Cash-settled Monthly futures Transactions") agreed within the seller and the buyer.

## **Section 2-2 Delivery on Request for Cash-settled Monthly Futures Transactions**



**Article 62-4 (Subject)**

1. Delivery on Request for Cash-settled Monthly Futures Transactions shall be conducted in accordance with the provisions of this section.
2. The provisions of Article 47.1, Article 52, Article 53, Article 54, Article 59 and Article 60 shall apply mutatis mutandis to Delivery on Request for Cash-settled Monthly Futures Transactions. In this case, the statement of “a delivery for Physically Delivered Futures Transactions” stated in Article 47.1 shall be replaced with the statement of “Delivery on Request for Cash-settled Monthly Futures Transactions”, and “Standard Grade Material” in Article 52.1 shall be replaced with the statement of “Material for Cash-settled Futures Transactions”.

**Article 62-5 (Products Eligible for Delivery on Request)**

1. Underlying Products eligible for Delivery on Request of Cash-settled Monthly Futures Transaction shall be as below.
  - (1) Gasoline;
  - (2) Kerosene; and
  - (3) Gas oil.

**Article 63 (Delivery Unit for Delivery on Request for Cash-settled Monthly Futures Transactions)**

1. The delivery unit for a Delivery on Request for Cash-settled monthly futures transactions shall be as follows.
  - (1) Gasoline, kerosene or gas oil prescribed in Article 62.2.1: 100kl per lot; and
  - (2) Gasoline, kerosene or gas oil prescribed in Article 62.2.2: 10kl per lot.

**Section 2-3 Final Settlement for Cash-settled Rolling Spot Futures Transactions**

**Article 63-2 (Theoretical Spot Price)**

1. The Theoretical Spot Price for Cash-settled Rolling Spot Futures Transactions shall be the price calculated in accordance with the Theoretical Spot Price Calculation Detailed Rules and the Exchange shall notify the Clearing House of such price.

**Article 63-3 (Settlement Method for Positions in Cash-settled Rolling Spot Futures Transactions)**

1. For any positions in Cash-settled Rolling Spot Futures Transaction shall be settled by offsetting resale or repurchase.
2. Notwithstanding the provision of previous Paragraph, the Members with short positions and the Members with long position may notify the Exchange and off-set their positions by delivery if the Exchange deems it appropriate.
3. The Members, who intend to off-set the position by delivery as specified in the preceding Paragraph, shall conduct a delivery based on the delivery conditions agreed between the relevant parties as specified in the next Chapter (“Delivery on Request”)

**Section 2-4 Delivery on Request for Cash-settled Rolling Spot Futures Transaction**

**Article 63-3-2 (Subject)**

1. Delivery on Request for Cash-settled Rolling Spot Futures Transactions shall be conducted in accordance with the provisions of this section.

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2. The provisions of Article 47.1, Article 48, Article 49.1.2 and Articles 53 and 55 shall apply mutatis mutandis to Delivery on Request. In this case, the statement of “a delivery for Physically Delivered Futures Transactions” stated in Article 47.1 shall be replaced with the statement of “Delivery on Request for Cash-settled Rolling Spot Futures Transactions”.

**Article 63-3-3 (Delivery Date and Time for Delivery on Request)**

1. Delivery on Request for Cash-settled Rolling Spot Futures Transactions shall be made by noon on the second business day following the date on which the said transaction is concluded.

**Article 63-3-4 (Delivery Price for Delivery on Request)**

1. The delivery price of Delivery on Request for Cash-settled Rolling Spot Futures Transactions shall be a settlement price of the Cash-settled Rolling Spot Futures Transaction on the day on which the said transaction is concluded and the Exchange shall notice such price to the Clearing House.

**Article 63-3-5 (Payment Amount for Delivery on Request)**

1. The payment amount for a Delivery on Request for Cash-settled Rolling Spot Futures Transactions shall be an amount obtained by multiplying the delivery price plus a price differential agreed between the Members by the delivery volume.

**Article 63-3-6 (Delivery Unit for Delivery on Request)**

1. The delivery unit for a Delivery on Request for Cash-settled Rolling Spot Futures Transactions shall be as follows.
  - (1) Gold: 100g per lot
  - (2) Platinum: 500g per lot

**Article 63-3-7 (Delivery Procedure for Delivery on Request)**

1. The delivery procedure for Delivery on Request for Cash-settled Rolling Spot Futures Transactions shall be as follows.
  - (1) Gold: The provisions of Article 68-5.1.2 shall apply mutatis mutandis to the method. In this case, the statement of “a delivery for Physical Transactions” stated in the said item shall be replaced with the statement of Delivery on Request for Cash-settled Rolling Spot Futures Transactions”.
  - (2) Platinum: The provisions of Article 54.1 shall apply mutatis mutandis to the method.

**Article 63-3-8 (Coordination for Delivery on Request)**

1. Members, who intend to conduct Delivery on Request for Cash-settled Rolling Spot Futures Transactions, shall coordinate with each other regarding the delivery conditions. When they reach an agreement on the delivery conditions, they may conduct Delivery on Request regardless of Good Delivery materials and its delivery place.

**Section 3 Exercise, etc. of Options Transaction**

**Article 64 (Exercise Day, etc.)**

1. The Exercise Day of Options Transactions shall be a business day immediately following the last trading day.
2. The settlement prescribed in Article 65 shall be conducted with a Final Clearing Price specified in said Article on the Exercise Day (a day on which the Members exercise their Options: the same shall apply hereinafter).

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**Article 64-2 (Final Settlement Price of Options Transaction)**

1. A Final Settlement price for Options transaction shall be one of the following prices and the Exchange shall notify the price to the Clearing House.
  - (1) The first Execution price for a Physically Delivered Futures Transaction having the same contract month of the same commodity after the commencement of a day session on the last trading day of the current contract month.
  - (2) In cases that there is no execution after the opening of Day Session, under any of the cases set forth in the preceding item, the price determined by the Exchange.

**Article 65 (Notification of Options Exercise)**

1. Members intending to exercise options for current contract month at the closing of a session on the last trading day shall notify the Exchange no later than 5:00pm on the Exercise Day.
2. Members may not notify to exercise the Options on Exercise Day described in the previous paragraph in cases provided in the following items.
  - (1) In case of Put Options, when the Exercise Price is equivalent to or below the Final Settlement Price; or
  - (2) In case of Call Options, when the Exercise Price is equivalent to or above the Final Settlement Price.
3. A notification of exercising Options shall be deemed to have been made when any of the following events occurs on the exercise date, even such notification is not made by the deadline specified in Paragraph 1: provided, however, that this shall not apply to cases where the Members notify by the above deadline their intent not to exercise their options regarding the relevant issues.
  - (1) In case of Put Options, when the Exercise Price is above the Final Settlement Price; or
  - (2) In case of Call Options, when the Exercise Price is below the Final Settlement Price.
4. Upon receipt of the notification of option exercise provided for in Paragraph 1 from Members (include the case that the notification deemed to have been made as provided for in previous paragraph), the Exchange shall notify the Clearing House of the details of the notification.
5. In cases when a Non-clearing Participant made notification of option exercise pursuant to the provisions of Paragraph 1 (include the case that the notification deemed to have been made as provided for in Paragraph 3), the Non-clearing Participant shall notify the Designated Clearing Participant of the details of such notification without delay.

**Article 66 (Allocation of Options Exercise)**

1. In cases where Members make notification of option exercise pursuant to provisions of the preceding article, for the volume pertaining to the exercise of each Series of Option, the Exchange shall allocate the short positions pertaining to each Series of Option to be exercised at 5:00pm of Exercise Day, to the Members holding the short positions of said Series of Option by classifying such positions into their proprietary or customer positions, based on a random lottery process executed by the central processing unit, and shall cause said option exercise to become effective in accordance with the allocation.
2. When Option positions have been allocated in accordance with the provisions of previous paragraph, the Exchange shall notify the Members who exercised and those who are allocated the positions pertaining to the option of that fact. Upon receipt of notification that the exercise becomes effective, Members shall confirm the particulars of such notification.
3. A Broker Member or a Remote Broker Member who has been allocated its customer positions in accordance with the provisions of Paragraph 1, shall allocate such positions to the short positions for each Series of Option of customers in chronological order with priority assigned to the earliest in time.
4. When Option positions have been allocated in accordance with the provisions of Paragraph 1, the Exchange shall notify the Clearing House of the details of said allocation.
5. In cases when a Non-clearing Participant has received notification provided for in Paragraph 2, the Non-clearing Participant shall notify the Designated Clearing Participant of the details of such notification without delay.

**Article 67 (Expiration of Options Positions upon Options Exercise)**

1. Positions of Options Transactions that not pertain to exercise shall be expired on the Exercise Day.

**Section 4 Delivery for Physical Transactions**

**Article 68 (Subject)**

1. A delivery for Physical Transactions shall be made in accordance with the provisions of this section.
2. The provisions of Article 47.1, Article 49, Article 49.1.2, and Articles 53 and 55 shall apply mutatis mutandis to a delivery for Physical Transactions. In this case, the statement of “a delivery for Physically Delivered Futures Transactions” stated in Article 47.1 shall be replaced with the statement of “delivery for Physical Transactions”, and the statement of “by a listed commodity component” stated in Article 48 shall be replaced with the statement of “by a listed commodity component (or by a trading unit in case of Physical Transactions for gold)”.

**Article 68-2 (Delivery date and time for Physical Transactions)**

1. A delivery for Physical Transaction shall be made by noon of the second business day following the date on which the said transaction is concluded.

**Article 68-3 (Delivery price for Physical Transactions)**

1. A delivery price for Physical Transaction shall be a price agreed by both Members.

**Article 68-4 (Payment for Physical Transactions)**

1. A payment amount for Physical Transaction shall be an amount obtained by multiplying the delivery price by the delivery volume.

**Article 68-5 (Delivery method for Physical Transactions)**

1. A delivery method for Physical Transactions shall be determined as follows.
  - (1) The provisions of Article 54.1 shall apply mutatis mutandis to the delivery of gold bars in a trading unit of one-kilogram in the Precious Metals Market.
  - (2) The delivery of gold bars in a trading unit of 100 grams in the Precious Metals Market shall be deemed to have been made at the time of transfer of ownership from the seller to the buyer at a warehouse designated for the delivery of the relevant Physical Transaction: provided, however, that the delivery may be made with a warehouse receipt issued by a designated warehouse operator when the seller and the buyer agreed to such a condition.

**Article 68-6 (Coordination for Physical Transactions)**

1. In the Precious Metals Market (limited to listed commodity components specified in the Precious Metals Delivery Detailed Rules), Members, who intend to conduct a delivery for Physical Transactions, shall coordinate with each other regarding the delivery conditions within a period specified in the Precious Metals Delivery Detailed Rules. When they reach an agreement on the delivery conditions, they may conduct a delivery for Physical Transactions regardless of Good Delivery Materials and its delivery place.

**Section 5 Measures in Case of Abolishment, Temporary Halt, etc., of Market, etc.**

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**Article 69 (Settlement Method)**

1. In the case where 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, abolish Contract Day Transactions, or change the trading periods, the Exchange shall designate the effective date of such abolishment, temporary halt, or change and all positions outstanding at the close of the Day Session on said effective date (excluding those pertaining to the current contract month if said effective date falls on Last Trading Day of the current contract month) shall be settled at the Settlement Price by offsetting resale or repurchase.

**Chapter 8 Transfer of Positions, etc.**

**Article 70 (Transfer of Positions)**

1. In cases where a Broker Member (hereinafter in this article referred to as “transferring Broker Member”) or a Remote Broker Members (hereinafter in this article referred to as “transferring Remote Broker Members”) falls under any of the following Items, the Exchange may transfer the positions pertaining to orders accepted by such transferring Broker Member or such transferring Remote Broker members to other Broker Members (hereinafter in this article referred to as “accepting Broker member”) or other Remote Broker Members (hereinafter in this article referred to as “accepting Remote Broker Members”):
  - (1) Where the Broker Member loses the membership under the provisions of Articles 97 or 99 (except for cases of loss of membership for reasons provided for in the following Item), or changes the type of membership pursuant to the provisions of Article 96.1.10 through Article 96.1.13, or Article 96;
  - (2) Where the Broker Member has fallen under any of the Items of Article 105-2.1;
  - (3) Where the Broker Member becomes a defaulting person under the provisions of Article 133.1 (including cases in which such provisions are applied pursuant to the provisions of Article 133.2, Article 133.3, and Article 134);
  - (4) In the case of transferring Broker Member, where the Regulating Minister orders the suspension of transactions on a commodity market or the Commodity Futures Transaction Business pursuant to the provisions of Article 236.1 .7of the Act;
  - (5) In the case of transferring Remote Broker Member, where the Regulating Minister orders the suspension of transactions on a commodity market or the Commodity Futures Transaction Business pursuant to the equivalent law of Article 236.1 .7of the Act in the country of said transferring Remote Broker Member;
  - (6) Where the Broker Member falls into a condition under which it is difficult for the Broker Member to continue transactions; and
  - (7) Where the Broker Member or the Remote Broker Member agrees to transfer the positions of a customer who requested such transfer for reasons other than those provided for in each of the preceding Items.
2. The transfer of positions to accepting Broker Members or to accepting Remote Broker Members provided for in the preceding paragraph shall be carried out when the Exchange receives and approves a request for such transfer of positions from a transferring Broker Member, transferring Remote Broker Member, accepting Broker member, or accepting Remote Broker Member based on any of the agreements enumerated in each of the following Items:
  - (1) Agreement between a transferring Broker Member or a transferring Remote Broker Member and an accepting Broker Member or an accepting Remote Broker Member to transfer all customer positions (provided that consent of the customers of the transferring Broker Member or the transferring Remote Broker Member on such agreement has been obtained in advance and that both relevant Broker Members or Remote Broker Members have notified the Exchange of the agreement);
  - (2) Agreement among a transferring Broker Member or a transferring Remote Broker Member, its customer, and an accepting Broker Member or an accepting Remote Broker



Member to transfer the customer positions pertaining to the customer (provided that both transferring and accepting Broker Members or Remote Broker Members have notified the Exchange of the agreement); and

- (3) Other agreements deemed appropriate by the Exchange.
3. For cases provided for in the preceding paragraph, the transferring Broker Member or the transferring Remote Broker Members and the accepting Broker Member or the accepting Remote Broker Member shall notify transfer of positions containing matters deemed necessary by the Exchange to the Exchange, by the date and time specified by the Exchange.
4. Notwithstanding the provisions of previous paragraph, such transfer of positions shall not be carried out, unless the notification provided for in the preceding paragraph has been made by the date and time specified by the Exchange.
5. In cases where a transferring Broker member, a transferring Remote Broker member, and accepting Broker Member or an accepting Remote Broker member is a Non-clearing participant, said transferring Broker member, etc. shall obtain an agreement to transfer the positions from a Designated Clearing Participant and notify such Designated Clearing Participant of necessary information such as the volume of transferred positions.

#### **Article 70-2 (Transfer or Orderly Disposition of Positions)**

1. A designated Clearing Participant may, upon notifying the Exchange of intent to transfer the positions of customer, provided that there is a special provision in the Clearing Agreement and the case falls under the provision, and upon obtaining its approval, carry out the procedure set forth in each of the following Items to liquidate the customer positions:
  - (1) Exchange or other Members designated by Exchange to offset the said positions by resale or repurchase on behalf of said Non-clearing Participant;
  - (2) Transfer the positions of a Non-clearing Participant to other Members designated by said Designated Clearing Participant; and
  - (3) Other Members designated by said Designated Clearing Participant to accept the positions of a Non-clearing Participant at a price agreed between said Designated Clearing Participant and said other Members and offset the positions by resale or repurchase.
2. A Broker Member may, upon notifying the Exchange, provided that there is a special agreement with a customer and the case falls under the provision, and obtaining its approval, carry out the procedure set for the in each of the following Items to liquidate the customer positions:
  - (1) Transfer the positions of a customer to other Broker Members or Remote Broker members designated by said Broker Member; and
  - (2) Other Members designated by said Broker Member to accept the positions of a customer at a price agreed between said Broker Member and said other Members. and offset the positions by resale or repurchase.
3. The provisions of Article 25 shall apply *mutatis mutandis* to the transfer of the name of positions from Non-clearing Participant to other Members who shall trade on behalf of said Non-clearing Participant.

#### **Article 70-3 (Notification Concerning Transfer of Positions)**

1. Upon execution of the transfer of positions pursuant to the provisions of the preceding two articles, the Exchange shall notify the Clearing House of the details thereof without delay.

### **Chapter 8-2 Measures in Case of Default**

#### **Article 71 (Default Procedure)**

1. In the event that Members. become a defaulting person under Article 133.1 (including cases in which such provisions are applied pursuant to the provisions of Article 133.2, Article 133.3,

and Article 134), the Exchange shall deem all the positions held by such Members at the time of default as defaulting positions, except for the positions to be transferred pursuant to the provisions of Article 70, and settle such defaulting positions by classifying them into the positions to be settled by delivery ("Defaulting Delivery Positions") and those to be settled by means other than delivery ("Defaulting Non-delivery Positions").

2. If the Exchange determines that Defaulting Delivery Positions constitutes no hindrance, the Exchange may enforce delivery for such positions pursuant to the provisions of Section 1, Section 2-3, or Section 4 of Chapter 7.

#### **Article 72**

Deleted

#### **Article 73 (Procedure of Defaulting Non-delivery Positions)**

1. The Exchange shall liquidate Defaulting Non-delivery Positions at the price specified by the Exchange by offsetting such positions by resale or repurchase, if such Defaulting Non-delivery Positions are in both buy and sell of concurrent futures positions for the same contract month (or Contract Day in the case of Contract Day Transactions or Options Series in the case of Options Transactions).
2. For Defaulting Non-delivery Positions (excluding those already liquidated in provision of the preceding paragraph; same shall apply hereinafter in this Article), the Exchange shall liquidate such positions by resale or repurchase in accordance with following Items.
  - (1) The Exchange shall come to agreement with one or more Members of the Exchange (excluding non-clearing participants) to become a counterparty of offsetting the Defaulting Non-delivery Position ("Acceptor of non-delivery position") for the price and quantity to be offset, and shall offset the Defaulting Non-delivery Position at the time and the price specified by the Exchange.
  - (2) For Defaulting Non-delivery Positions that could not liquidate pursuant to the provision of the preceding paragraph, or if the Exchange deems unsuitable to liquidate pursuant to the provisions of the preceding paragraph, the Exchange shall determine the amount of additional compensation pertaining to the Defaulting Non-delivery Positions in accordance with the provisions of the Detailed Rules for Determination of Additional Compensation Pertaining the Default Procedure, etc., and shall come to agreement with one or more Members of the Exchange to offset such Defaulting Non-delivery Position at the time and the price specified by the Exchange.
3. Notwithstanding the provisions of the preceding paragraph, the contract for Defaulting Non-delivery Positions held by a Non-clearing Participant shall be accepted by the Designated Clearing Participant (or other Members if said Designated Clearing Participant designate other Members) of that Non-clearing Participant with resale or repurchase of Defaulting Non-delivery Positions at the time and the price specified by the Exchange.
4. The Acceptor of Defaulting Non-delivery Position may settle the Defaulting Non-delivery Position by resale or repurchase with own non-Defaulting Non-delivery Positions which corresponds to them.

#### **Article 74 (Disposition for Defaulting Delivery Positions)**

1. The Exchange shall determine the Delivery Assignee and Defaulting Delivery Positions assignments by following procedure.
  - (1) In cases where a default occurs before the counterparty for the delivery position is determined, Defaulting Delivery Positions (excluding concurrent delivery positions) shall be allocated in proportion to the number of the offsetting delivery positions (including those pertaining to concurrent delivery positions) held by Members, and the Members to whom the Defaulting Delivery Positions are allocated shall be the Non-defaulting Person and the delivery position corresponding to the allocated quantity shall be the Non-Defaulting Delivery Position. For the purpose of such allocation, any fraction less than a delivery unit shall be rounded off. Any excess or shortfall in the allocated delivery positions resulting from such rounding shall be adjusted by lottery.
  - (2) For a default that occurred after the counterparty for the delivery position was determined, the Members who became the counterparty to the defaulting person shall be the Non-defaulting Person and the offsetting delivery position matching the Defaulting

- Delivery Position (any fraction less than a delivery unit in Oil Market, and Chukyo-oil Market shall be rounded off; the same shall apply hereinafter) shall be the Non-Defaulting Delivery Position.
2. In cases where the Defaulting Delivery Positions are concurrent positions or are already with counterparty (meaning the delivery positions in Oil market, Chukyo-oil Market, Aluminum Market or Agricultural & Sugar Market that a default occurred after the counterparty has been determined) but not delivered in accordance with the provisions of Article 71.2, such positions shall be deemed by the Exchange to have been offset by resale or repurchase at the delivery price and shall be settled on the day designated by the Exchange.
  3. The Exchange shall apply the following procedure to any Defaulting Delivery Positions (excluding those delivered in accordance with the provisions of Article 71.2 and those deemed to have been offset by resale or repurchase in accordance with the provisions of preceding paragraph):
    - (1) Within three (3) business days starting from the day on which the default occurs, the Exchange shall come to agreement with one or more Members to perform the delivery on behalf of the defaulting person ("Defaulting Delivery Position Acceptor"), determine the number of acceptance positions and acceptance prices for each Defaulting Delivery Position Acceptor, and cause each Defaulting Delivery Position Acceptor to execute delivery at the delivery price with the Non-defaulting Person within the period determined by the Exchange in accordance with the provisions of Section 1, Section 2-3 and Section 4 of Part 2, Chapter 7. In cases where a Defaulting Delivery Position Acceptor is accepted only a portion of the Defaulting Delivery Positions of the defaulting person, the Defaulting Delivery Positions shall be assigned in proportion to the number of the Non-Defaulting Delivery Positions of the Non-defaulting Person. The provisions of Article 72.1.1 shall apply *mutatis mutandis* to such proportional allocation.
    - (2) For Defaulting Delivery Positions for which no Delivery Acceptor is selected pursuant to the provisions of the preceding paragraph, or the Defaulting Delivery Positions for which the Exchange deems the procedure provided for in the preceding paragraph to be inappropriate, the amount of additional compensation shall be determined within five (5) business days, starting from the day on which the default occurs, in accordance with the provisions of the Detailed Rules for Determination of Additional Compensation Pertaining to Default Procedure, etc.. These Defaulting Delivery Positions and Non-Defaulting Delivery Positions shall be deemed by the Exchange to have been offset by resale or repurchase at the delivery price and such positions shall be settled on the day designated by the Exchange.
  4. Notwithstanding the provisions of the preceding paragraph, in cases where the defaulting person is a Non-clearing Participant, the Exchange shall appoint the Designated Clearing Participant (or other Members if said Designated Clearing Participant designate other Members) of the Non-clearing Participant as a Defaulting Delivery Position Acceptor, and in cases where said Designated Clearing Participant is unable to carry out delivery, the Exchange may cause said Designated Clearing Participant to bear the amount of additional compensation and settle such positions pursuant to the provisions of Item 2 of the preceding paragraph.

#### **Article 75**

Deleted

#### **Article 76 (Notification Concerning Transfer of Positions and Default Procedure)**

1. Upon completion of the default procedure pursuant to the provisions of this chapter, the Exchange shall notify the Clearing House of the details thereof without delay.

#### **Article 77 (Calculation of Losses Arising from Default)**

1. Upon completion of the default procedure pursuant to the provisions of this chapter, the Exchange shall calculate and notify the Clearing House of the amounts enumerated in each of the following Items for each Transaction Types and each Listed Commodity Component Product (for each contract unit for Physical Transaction of gold or Cash-settled Monthly Futures Transaction of gasoline, kerosene and gas oil) or Listed Commodity Index:
  - (1) Any differential between the price at which the Defaulting Non-delivery Positions are

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- assigned to the Assignee and the offsetting price specified by the Exchange;
  - (2) Any differential between the prices at which the Defaulting Delivery Positions are assigned to the Delivery Assignee and the delivery price;
  - (3) Any amount of additional compensation payable with respect to Defaulting Delivery Positions;
  - (4) Any amount of additional compensation payable with respect to Defaulting Non-delivery Positions;
  - (5) With respect to Defaulting Non-delivery Positions, any Execution Price Differential, Settlement Price Differential, Strike Price Differential, and Option Premium, from the Clearing Period during which the obligation that resulted in the default was first created, to the Clearing Period containing the day on which the procedure for said Defaulting Non-delivery Positions is completed; and
  - (6) All other obligations for which the defaulting person is liable in connection with the default procedure.

### **Chapter 8-3 Special Provisions for the Transfer of Positions and Order Processing in the Discontinued Commodity Market and the Newly Established Commodity Market**

#### **Article 77-2 (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 by the Exchange or another exchange 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 by the Exchange or another exchange 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 this chapter.

#### **Article 77-3 (Handling of Positions, etc.)**

1. In the case referred to in the preceding article, if Member, etc. (meaning a trading participants or member; hereinafter the same shall apply in this chapter) of a Discontinued Commodity

Market become a Member, etc. of a Newly Established Commodity Market (including cases where said Member, etc. had already become a Member, etc. of the Newly Established Commodity Market), the handling of positions and other matters between the Discontinued Commodity Market and the Newly Established Commodity Market shall be governed by the provisions of the following items:

- (1) Positions existing in the Discontinued Commodity Market as of its discontinuation (excluding unsettled contracts pertaining to delivery) shall be treated as positions in the Newly Established Commodity Market on or after its establishment date (in the case of a commodity market that has already been established, it means the start date of trading of Listed Products, etc. that are to be added to said commodity market (including the start date of a separately established trading session for Listed Products, etc. that have already been traded); hereinafter the same shall apply in this chapter)
- (2) Unexpired orders that were accepted in Discontinued Commodity Market before its discontinuation date shall be effective in the Newly Established Commodity Market on or after its establishment date and take precedence, in terms of order acceptance time, over orders to be newly accepted in the Newly Established Commodity Market on its establishment date unless the Newly Established Commodity Exchange determines that such treatment would undermine the fairness of transactions.
- (3) Acts of the Discontinued Commodity Exchange carried out before its discontinuation date shall be deemed to be effective between the Newly Established Commodity Exchange and the Members, etc. of the Newly Established Commodity Exchange on or after its establishment date if the Newly Established Commodity Exchange approves them as such.

#### **Article 77-4 (Handling of Cases Where New Membership Is Not Acquired, etc.)**

1. If a Member, etc. of the Discontinued Commodity Market does not acquire the membership of Newly Established Commodity Market, said Member, etc. shall complete the settlement of its positions (excluding unsettled contracts pertaining to delivery) by the discontinuation date of the Discontinued Commodity Market.
2. In the case referred to in the preceding paragraph, if said Member, etc. fails to complete the settlement of its positions (excluding unsettled contracts pertaining to delivery) by the discontinuation date of the Discontinued Commodity Market, the Discontinued Commodity Exchange shall cause the settlement of the positions held by said Member, etc. (excluding unsettled contracts pertaining to delivery) to be completed after the close of the day session on the discontinuation date of the Discontinued Commodity Market.

#### **Article 77-5 (Handling of Defaulting Persons)**

1. If a Member, etc. of the Discontinued Commodity Market is treated as a defaulting person in said commodity market, the Discontinued Commodity Exchange shall cause the settlement of the positions held by said Member, etc. (excluding unsettled contracts pertaining to delivery) to be completed by the discontinuation date of the Discontinued Commodity Market.
2. Notwithstanding the provisions of the preceding paragraph, if the Discontinued Commodity Exchange is not able to cause the settlement of said positions to be completed by the discontinuation date of the Discontinued Commodity Market, it shall immediately notify the Newly Established Commodity Exchange to that effect, in which case the Newly Established Commodity Exchange shall deem said Member, etc. as a defaulting person as of its establishment date and cause the settlement of the positions held by said Member, etc. (excluding unsettled contracts pertaining to delivery) to be completed on or after its establishment date.

#### **Article 77-6 (Notification and Public Notice)**



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1. A Discontinued Commodity Exchange intending to establish special provisions pursuant to Article 77-2 shall notify Members, etc. and give public notice to that effect without delay.

**Article 77-7 (Objection)**

1. Members and Customers, etc. may not make any objection to the Newly Established Commodity Exchange regarding treatments adopted pursuant to the provisions of Articles 77-3 through 77-5; provided, however, that this shall not apply if there is willful or gross negligence by the Newly Established Commodity Exchange with regard to the treatments adopted pursuant to the provisions of Articles 77-3 through 77-5;

**Article 77-8 (Replacement of Terms Regarding Settlement of Transaction in Commodity Markets)**

1. In the case referred to in Article 77-2, if the Exchange is the Newly Established Commodity Exchange, the phrase “transactions executed in commodity markets of the Exchange” in Article 3.13 and Article 35-3 shall be deemed to be replaced with “transactions executed in commodity markets of the Exchange (including those executed in the Discontinued Commodity Exchange).”

**Chapter 9 Miscellaneous Provisions**

**Article 78 (Matters to be Publicly Posted)**

1. The Exchange shall publicize the matters enumerated in each of the following Items:
  - (1) Change in trading hours, a temporary closing or opening of a session, or a temporary holiday or temporary business day;
  - (2) Change in the Last Trading Day and the Final Settlement Day;
  - (3) Restrictions on number of trades or number of positions;
  - (4) Determination of, or change in the rate, etc. of fees payable to the Exchange, including exchange fees;
  - (5) Matters concerning the delivery;
  - (6) Final Settlement Price for Cash-settled Monthly Futures Transactions;
  - (7) Total open interest for each Clearing Period by transaction types (or by Contract Day or Contract Month in the case of Cash-settled Futures Contract; the same shall apply hereinafter in this Chapter), by Listed Commodity Component Products (or by trading unit for Cash-settled Monthly Futures Transactions of gasoline, kerosene and gas oil), by Listed Commodity Indexes, and by contract months (or Contract Day in the case of Cash-settled Rolling Spot Futures Transactions and Option Series in the case of Options Transactions; the same shall apply hereinafter in this Chapter);
  - (8) Theoretical Spot Price for Cash-settled Rolling Spot Futures Transaction; and
  - (9) Other matters deemed necessary by the Exchange.
2. The posting period for the Items provided for in the preceding paragraph shall be for five (5) business days for Items 1 through 5, for the day for Items 6 through 8, and for the period determined by the Exchange for Item 9 starting from the day on which they are publicly posted.

**Article 79 (Notification and Public Posting of Total Trading Volume and Other Information)**

1. The Exchange shall promptly notify Members of the following matters with respect to transactions in the TOCOM market, through electronic information media, every business day, as well as post such matters publicly. However, in the event of operational disruption of such electronic media or if otherwise deemed necessary by the Exchange, such notification or

public posting shall be done in writing:

- (1) Total trading volume for the preceding Clearing Period by transaction types, by Listed Commodity Component Products (by contract unit for Physical Transaction of gold and Cash-settled Monthly futures Transactions of gasoline, kerosene and gas oil; same shall apply hereinafter), by Listed Commodity Indexes, and by contract months;
- (2) The opening, highest, lowest, and closing execution price for the preceding Clearing Period by transaction types, by Listed Commodity Component Products, by Listed Commodity Indexes, and by contract months;
- (3) The execution price and trading volume of Off-floor transactions (Off-floor transactions, EFP transactions, EFS transactions, EFF transactions and Stop-Loss transactions; same shall apply hereinafter) by transaction types, by Listed Commodity Component Products, by Listed Commodity Indexes, and by contract months for the preceding Clearing Period;
- (4) The opening, highest, lowest, and closing execution price of Off-floor transactions by transaction types, by Listed Commodity Component Products, by Listed Commodity Indexes and by contract months.

#### **Article 80 (Measures to be Taken When Operational Trouble of the Electronic Trading System Occurs)**

1. In the event that there is, or is likely to be, operational trouble of the electronic trading system, provided for in Article 18, if it is deemed necessary by the Exchange, the Exchange may take any of the measures listed in each of the following items:
  - (1) To temporarily change the opening and closing hours of the sessions, temporarily suspend the whole or part of a session, or temporarily open the whole or part of a session;
  - (2) To cancel the whole or part of a trade;
  - (3) To restrict or halt the acceptance of the whole or part of orders;
  - (4) To restrict or halt the acceptance of orders from certain Members;
  - (5) To invalidate orders, notifications of option exercise or notifications of not exercise the option, that have been accepted by the Exchange;
  - (6) To liquidate the whole or part of a position;
  - (7) To halt the whole or part of the operations pertaining to System Trading; and
  - (8) To take any other measures determined by the Exchange to be necessary for proper market management.
2. The provisions of the preceding paragraph shall apply mutatis mutandis to cases of breakdown of Member Terminals of Members if it is determined necessary by the Exchange.
3. In the case where the Exchange cancelled a trade pursuant to the provisions of Paragraph 1, Item 2 (including cases in which such provisions are applied pursuant to the provisions of the preceding paragraph), said trade is deemed never to have been executed.

#### **Article 80-2 (Measures to be Taken When a Trade is Executed As a Result of an Erroneous Order, etc.)**

1. In the case where an application for cancellation of a trade executed as a result of an erroneous order is made by a Members and the Exchange determines that the trade may disrupt the TOCOM market, the Exchange may cancel the trade as determined by the Exchange.
2. In the case where the Exchange cancelled a trade pursuant to the provisions of the preceding paragraph, said trade is deemed never to have been executed.
3. The application for cancellation under Paragraph 1 shall be made by the Members within five (5) minutes after the trade is executed and the Exchange shall immediately notify to that effect the Members who is the counterparty to the trade for which the application for trade cancellation was made.
4. A Member may not, under no circumstances including the case where he/she incurs damages due to the trade cancellation by the Exchange under the provisions of Paragraph 1, claim compensation for damages to the Member who placed the erroneous order; provided, however, that the same shall not apply if it is found that the Trade Member, etc. placed such

- an erroneous order intentionally or by gross negligence.
5. A Member 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 Paragraph 1, claim compensation for damages to the Exchange; provided, however, that the same shall not apply if it is found that such damages were caused by the Exchange intentionally or by gross negligence.
  6. In the case where the Exchange cancelled a trade pursuant the provisions of Paragraph 1, the Member who placed the erroneous order shall, in accordance with the provisions of the Trading Fee Detailed Rules, pay to the Exchange the fees pertaining to the measures to be taken when a trade is executed as a result of an erroneous order.

#### **Article 81 (Notification of Trade Cancellation)**

1. Upon making a decision to cancel any trade pursuant to the Article 80.1.2 (including cases in which such provisions are applied pursuant to the provisions of Paragraph 2 of the preceding article), Article 80-2.1 and Article 82.1, the Exchange shall notify all Members who have membership in the relevant market of such decision.
2. Upon completing such cancellation of a trade, the Exchange shall immediately notify the Members who are subject to such cancellation of that fact.

#### **Article 82 (Emergency Measures)**

1. Under any of the following circumstances, the Exchange may cancel the whole or part of an execution, liquidate the whole or part of a position, or take other emergency measures such as changing the delivery condition (however, exclude the measures pursuant to the Article 8, Article 9, Article 30, Article 80 or Article 83):
  - (1) Where there are unavoidable reasons for taking emergency measures in order to maintain proper order in the commodity market, given that transactions have been or are likely to be executed for excessive quantity, by means of cornering, bear raids, or other detrimental activities, or that unfair execution prices have been or are likely to be formed; or
  - (2) Where execution or settlement of transactions has been, or is likely to be, seriously disrupted due to natural disaster, wars, riots, violent fluctuation in market prices, or other similar events.
2. In the case where the Exchange cancelled a trade pursuant the provisions of the preceding paragraph, said trade is deemed never to have been executed.

#### **Article 82-2 (Measures Based on an Order of the Regulating Minister)**

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

#### **Article 83 (Decision on Necessary Matters Concerning Market Administration)**

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

#### **Article 84 (Objection)**

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

### **PART 3 MEMBERSHIP**

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## **Chapter 1 General Provisions**

### **Article 85 (Membership)**

1. Membership of the Exchange shall be limited to those falling under any of the following Items:
  - (1) Those who engage commercially in buying and selling of Listed Commodity Component Products (including commodities enumerated in the following sub-Items) and products underlying an exchange listed commodity index (limited to those prescribed by the Detailed Enforcement Rules for Membership), act commercially as mediators, intermediaries or agents for buying and selling, or engage commercially in production, processing or use (“buying, selling, etc.”) of such goods on a continuous basis (“Commercials”):
    - A. For the Rubber Market, rubber products;
    - B. For the Precious Metals Market, (i) gold ore or gold products, (ii) silver ore or silver products, (iii) platinum products, or (iv) palladium products;
    - C. For crude oil in the Oil Market, oil products;
    - D. For the Aluminum Market, aluminum ore or aluminum products; and
    - E. For the Agricultural Product & Sugar Market, Soybeans, Azuki, Corn or Raw Sugar, or those products.
  - (2) Those who are licensed to engage in the Commodity Futures Transactions Business under Article 190.1 of the Act (“Commodity Derivatives Business Operator”);
  - (3) Those who have obtained the same type of license in said foreign state under the provisions of the laws and regulations of said foreign state equivalent to a license under Article 190, paragraph 1 of the Act, with regard to accepting the consignment of transactions similar to Futures Transactions on a market in a foreign state equivalent to a Commodity Market, or engaging in business as a mediator, intermediary, or agent for said transactions (such license includes registration and other administrative dispositions similar to said license);
  - (4) Those who have given notice under Article 349, paragraph 1 of the Act that he/she intends to engage commercially in Over-the-Counter Commodity Derivative Transactions with regard to the Listed Commodity Component Products, etc. of the Exchange; and
  - (5) Those who fall under any of the following categories:
    - A. Banks;
    - B. Financial Instruments Business Operators, etc. prescribed in Article 2, paragraph 9 of the Financial Instruments and Exchange Act (Act No.25 of 1948). (Limited only to type I Financial Instruments Business operators prescribed in Article 28 paragraph 1 of the Financial Instruments and exchange Act.);
    - C. The Shokochukin Bank Ltd.;
    - D. The Development Bank of Japan Inc.;
    - E. Shinkin banks and the Shinkin Bank Association;
    - F. Credit cooperatives and cooperative associations which carry out business set forth in Article 9-9, paragraph 1, Item 1 of the Small and Medium Enterprises, etc. Cooperative Act (Act No.181 of 1949);
    - G. Industrial banks and the Industrial Bank Association;
    - H. The Norinchukin Bank;
    - I. The agricultural cooperatives and the Agricultural Cooperative Associations which engage in business set forth in Article 10, paragraph 1, Item 3 of the Agricultural Cooperative Association Act (Act No. 132 of 1947);
    - J. Insurance companies and foreign insurance companies, etc. prescribed in Article 2, paragraph 7 of the Insurance Business Act (Act No. 105 of 1995);
    - K. Commodities investment advisors prescribed in Article 2, paragraph 8 of the Act on Regulation of Business Pertaining to Commodity Investment (Act No. 66 of 1991), or those who are equivalent to in a foreign state; and
    - L. The person engages or intends to engage in a business of proprietary transactions (such transactions includes the transactions consigned to other Members) on a commodity market or a market in a foreign state equivalent to a commodity market.

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### **Article 86 (Classification of Members)**

1. Members of the Exchange shall be classified into the Commodity Division Members enumerated in each of the following Items for each listed commodity or listed commodity index:
  - (1) Those dealing in rubber shall be Rubber Division Members;
  - (2) Those dealing in Precious Metals shall be Precious Metals Division Members;
  - (3) Those dealing in oil shall be Oil Division Members;
  - (4) Those dealing in Chukyo-oil shall be Chukyo-oil Division Members;
  - (5) Those dealing in aluminum shall be Aluminum Division Members; and
  - (6) Those dealing in Agricultural Product & Sugar shall be Agricultural Product & Sugar Division Members.
2. Precious Metals Division Members, Oil Division Members and Chukyo-oil Division Members shall be subdivided into the following Members. Members belonging to all of the divisions enumerated in Items 1 through 4 are referred to as "Precious Metals Members", Members belonging to all of the divisions enumerated in Items 5 through 8 are referred to as "Oil Members" and Members belonging to all of the divisions enumerated in Items 9 and 10 are referred to as "Chukyo-oil Members":
  - (1) Members who are Commercials dealing in gold and the commodity enumerated in Article 85.1.1.B (i) and trade gold contract in the Precious Metals Market ("Gold Members");
  - (2) Members who are Commercials dealing in silver and the commodity enumerated in Article 85.1.1.B (ii) and trade silver contract in the Precious Metals Market ("Silver Members");
  - (3) Members who are Commercials dealing in platinum and the commodity enumerated in Article 85.1.1.B (iii) and trade platinum contract in the Precious Metals Market ("Platinum Members");
  - (4) Members who are Commercials dealing in palladium and the commodity enumerated in Article 85.1.1.B (iv) and trade palladium contract in the Precious Metals Market ("Palladium Members");
  - (5) Members who are Commercials dealing in gasoline and trade gasoline contract in the Oil Market ("Gasoline Members");
  - (6) Members who are Commercials dealing in kerosene and trade kerosene contract in the Oil Market ("Kerosene Members");
  - (7) Members who are Commercials dealing in gas oil and trade gas oil contract in the Oil Market ("Gas Oil Members");
  - (8) Members who are Commercials dealing in crude oil and trade crude oil contract in the Oil Market ("Crude Oil Members").
  - (9) Members who are Commercials dealing in gasoline and trade gasoline contract in the Chukyo-oil Market ("Chukyo-Gasoline Members"); and
  - (10) Members who are Commercials dealing in kerosene and trade kerosene contract in the Chukyo-oil Market ("Chukyo-Kerosene Members");

### **Article 87 (Category of Membership)**

1. Members of the Exchange shall be classified into the categories enumerated in each of the following Items:
  - (1) Trade Members: Members who have business offices or offices in Japan for the transactions in the TOCOM markets and have membership that qualifies a Member to execute proprietary transactions in the TOCOM market;
  - (2) Broker Members: Members who are Commodity Derivative Business Operators and have membership that qualifies a Member to execute proprietary transactions and customer transactions in the TOCOM market;
  - (3) Remote Trade Members: Members who have business offices or offices for the transaction in the TOCOM market and have membership that qualifies a Member to execute proprietary transactions (only based on consignment of commodity clearing transactions) in the TOCOM market; and
  - (4) Remote Broker Members: Members who are Foreign Commodity Derivative Business Operators and have no business offices or offices in Japan for the transaction in the



TOCOM market, and have membership that qualifies a Member to execute proprietary transactions and customer transactions in the TOCOM market.

### **Article 88 (Disqualifying Conditions)**

1. Any person who falls under any of the following Items may not become a Member:
  - (1) A person adjudged incompetent or quasi incompetent, or other persons who are treated similarly under any applicable foreign laws and regulations;
  - (2) A person who is bankrupt and whose rights have not been restored, or other persons treated similarly under applicable foreign laws and regulations;
  - (3) A person who was sentenced to imprisonment or a severe punishment (including equivalent punishment under foreign laws and regulations), or sentenced to fines under the provisions of the Act, or equivalent foreign laws and regulations (including equivalent punishment under foreign laws and regulations), if five (5) years have not passed since the date of completion or termination of such imprisonment or other punishment;
  - (4) A person whose permission granted under Article 96-19.1, Article 96-31.1, or Article 96-25.1 or the proviso clause of Article 96-25.3 of the Act was cancelled pursuant to the provisions of Article 96-22.1, Article 96-34.1 or Article 96-40.1 of the Act, whose license granted under Article 9, Article 78, Article 167, Article 190.1, Article 332.1, or Article 342.1 of the Act was cancelled pursuant to the provisions of Article 159.1 or 159.2; Article 186.1 or 186.2; Article 235.3; Article 236.1; or Article 340.1 (including cases in which the provisions thereof are applied *mutatis mutandis* under Article 345) of the Act, or whose registration under Article 240-2. 1 of the Act was cancelled pursuant to the provisions of Article 240-23. 1 of the Act or a person whose similar permission or license granted in a foreign country under laws and regulations of the foreign country that are equivalent to the Act (including registration or other administrative actions that are similar to such permission or license; in Item 6 collectively referred to as "licenses") was cancelled, if five (5) years have not passed since the date of such cancellation;
  - (5) A person who is expelled from, or whose membership is cancelled by a commodity exchange or equivalent foreign institution pursuant to an order under Article 160.1 of the Act or equivalent laws or regulations of a foreign country (including other administrative actions under equivalent foreign laws and regulations; the same shall apply hereinafter in Item 7 and Item 8), if five (5) years have not passed since the date of such expulsion or cancellation;
  - (6) In the case where (i) the permission of a person who was granted such permission under Article 96-19.1 or Article 96-31.1 of the Act (hereinafter in this item referred to as "major shareholder") is cancelled pursuant to the provisions of Article 96-22.1 or Article 96-34.1, (ii) the permission of a commodity exchange holding company granted under Article 96-25.1 or the proviso clause of Article 96-25.3 is cancelled pursuant to the provisions of Article 96-40.1, (iii) the license of a commodity exchange granted under Article 9 or Article 78 of the Act is cancelled pursuant to the provisions of Article 159.1 or 159.2 of the Act; (iv) the license of a commodity clearing organization granted under Article 167 of the Act is cancelled pursuant to the provisions of Article 186.1 or 186.2 of the Act; (v) the registration of a Commodity Derivatives Intermediary Service Provider under Article 240-2.1 of the Act is cancelled pursuant to the provisions of Article 240-23.1 of the Act; (vi) the license of a Futures Commission Merchant granted under Article 190.1 of the Act is cancelled pursuant to the provisions of Article 235.3 or Article 236.1 of the Act; (vii) the license of an Establisher of a Type 1 Specified Facility (meaning the Establisher of a Type 1 Specified Facility provided for in Item 2 of Article 331 of the Act; the same shall apply hereinafter in this Item) or an Establisher of a Type 2 Specified Facility (meaning the Establisher of a Type 2 Specified Facility provided for in Item 3 of Article 331 of the Act) granted under Article 332.1 or Article 342.1 of the Act is cancelled pursuant to the provisions of Article 340.1 of the Act (including cases in which these provisions are applied *mutatis mutandis* under Article 345 of the Act), or (viii) similar licenses of a juridical person that were granted in a foreign country are cancelled pursuant to the provisions of laws or regulations of the foreign country that are equivalent to the Act, a person who was an officer of said major shareholder, commodity exchange holding company, commodity exchange, commodity clearing organization, Commodity Derivative Business Operators, Commodity Derivative Intermediary Service Providers,

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- Establisher of a Type 1 Specified Facility, Establisher of a Type 2 Specified Facility, or juridical person anytime within the period of thirty (30) days immediately preceding the date of such cancellation, if five (5) years have not passed since the date of such cancellation;
- (7) In cases where a member or trading participant of a commodity exchange ("Member") who is a juridical person or a Member of a foreign institution equivalent to a commodity exchange and who is a juridical person, is expelled from such exchange or institute, or the membership of such Member is cancelled pursuant to an order under Article 160.1 of the Act or equivalent laws or regulations of the foreign country, [and/or] a person who was an officer of said juridical person anytime within the period of thirty (30) days immediately preceding the date of such cancellation, if five (5) years have not passed since the date of such cancellation;
  - (8) An officer who was dismissed pursuant to an order under Article 96-40.2, Article 159.3, Article 160.1, Article 186.4, Article 236.2 or Article 240-23.2 of the Act, or equivalent provisions of foreign laws and regulations, if five (5) years have not passed since the date of dismissal;
  - (9) A person subject to a court order under Article 328.1 of the Act or an order of a foreign court under equivalent laws or regulations of the foreign country, if one (1) year has not passed since the day on which such order was issued;
  - (10) A person specified in Article 331.1.3 of the Companies Act (Act No. 86 of 2005);
  - (11) A minor who does not have the same legal capacity as an adult with regard to business whose statutory representative falls under any of the preceding Items or the following item;
  - (12) A juridical person whose officers include a person who falls under any of the preceding Items;
  - (13) A person who was expelled from the Exchange, another commodity exchange, or a financial instruments exchange established under the Financial Instruments and Exchange Act, or in cases where such person is a juridical person, the officer representing such juridical person, if five (5) years have not passed since the date of such expulsion;
  - (14) A person who concealed the fact that it does not qualify as a Member under Article 85 or the fact that it falls under any of the preceding Items, if five (5) years have not passed since the date on which such concealment was revealed; or
  - (15) Apart from the persons listed in each of the preceding Items, a person who was deemed not to have an organization to conduct proper business operations concerning transactions in a commodity market, not to have sufficient social credibility, or not to have sufficient business continuity, by the Exchange.
2. For the purpose of applying the provisions of Items 3 through 5, Item 9 and Item 12 of the preceding paragraph, a juridical person surviving a merger or a juridical person established by a merger shall be deemed to be the same juridical person as that which was extinguished as a result of the merger.

## **Chapter 2 Acquisition of Membership**

### **Article 89 (Application for Acquisition of Membership)**

1. Any person wishing to obtain membership of the Exchange shall submit to the Exchange the Application Form provided for in the Detailed Enforcement Rules for Membership containing necessary matters.
2. As provided for in the Detailed Enforcement Rules for Membership, the applicant shall attach the documents enumerated in each of the following Items to the Application Form provided for in the preceding paragraph:
  - (1) A written statement and a document certifying that the person satisfies Items of Article 85 with regard to the listed products or listed index that such person wishing to obtain membership;
  - (2) If such applicant is a general corporation described in the Membership Enforcement

- Detailed Rules, (i) a copy of the Articles of Incorporation and the commercial registry of the general corporation, (ii) a document indicating the place of the main office or primary office, (iii) names of the officers and a copy of the resume of such officers, (iv) a copy of residence certificate of such officers (or, if such officer is a foreign national residing in Japan, a copy of a special permanent resident certificate, a copy of a registration card, or a certificate of the registered matters of said person), or a substitute thereof ("copy of the residence certificate and other documents"), (v) a written statement that the juridical person and its officers do not fall under any of the Items 1 through 14 of Article 88.1, (vi) financial statements, etc. prepared pursuant to the provisions of Article 435.2 of the Companies Act ("Financial Statements, etc.") or a securities report prescribed by Article 24 of the Financial Instruments and Exchange Act ("Securities Report") or any other documents equivalent thereto, and if the applicant concurrently is a Member of another commodity exchange, (vii) a document indicating the name of the exchange and the date on which the person obtained membership or became a Member thereof;
- (3) Notwithstanding the provisions of the preceding Item, if such applicant is a special corporation described in the Membership Enforcement Detailed Rules which has been registered based on condition of Laws and Regulations that requires submission of certain documents, (i) a copy of the Articles of Incorporation and the commercial registry of the special corporation, (ii) a document indicating the place of the main office or primary office, (iii) names of the officers and a copy of the resume of such officers, (iv) a written statement that the juridical person and its officers do not fall under any of the Items 1 through 14 of Article 88.1, (v) financial statements, etc., securities report or any other documents equivalent thereto, and if the applicant concurrently is a Member of another commodity exchange, (vi) a document indicating the name of the commodity exchange and the date on which the person obtained membership or became a Member thereof;
  - (4) If such applicant is an individual, (i) a resume and a copy of the residence certificate and other documents of the person (or, if there is a statutory representative for the person, the person and his/her statutory representative), (ii) a written statement that the person does not fall under any of Items 1 through 11, Item 13 and Item 14 of Article 88.1, (iii) a profit and loss statement and balance sheet, etc., and, if the person concurrently is a Member of another commodity exchange, (iv) a document indicating the name of the commodity exchange and the date on which the person obtained membership or became a Member thereof;
  - (5) If an agreement concerning transfer of positions provided for in each Item of Article 70.2 has been concluded, a copy of such agreement; and
  - (6) Other documents deemed necessary by the Exchange.

#### **Article 90 (Membership Examination and Approval)**

1. Upon receipt of the application pursuant to the provisions of the preceding article, the Self-regulatory Committee shall conduct an examination of the application. If the application is approved by the Self-regulatory Committee, the Exchange shall approve the membership of the applicant.
2. Where deemed necessary, for purposes of the examination provided for in the preceding paragraph, the Self-regulatory Committee may require the applicant for membership or other interested parties to appear in a hearing to hear their testimonies or opinions.

#### **Article 91 (Procedures for Acquisition of Membership)**

1. A person who is approved to obtain membership shall perform the following procedures within ten (10) days from the date of approval (or within the period specified by the Exchange, if it is deemed particularly necessary by the Exchange):
  - (1) Payment of Registration Fees;
  - (2) Conclusion of the Membership Agreement;
  - (3) Deposit of Guarantee Funds; and
  - (4) Procedure for the Acquisition of Membership prescribed by the Detailed Enforcement Rules for Membership.
2. Notwithstanding the provisions of the preceding paragraph, in cases where the acquisition of

membership results from a merger with a Member or succession, demerger, or business transfer from a Member, payment of registration fees is not required. In this case, the Exchange may require the person who is approved to obtain membership to pay the fee for registered name amendment.

3. In the event that the person who was approved to obtain membership fails to perform the procedure provided for in Paragraph 1 within the specified period, such person shall be deemed to have withdrawn the application for the acquisition of membership and the approval for membership shall be ineffective.

#### **Article 92 (Amount of Registration Fees and Fee for Registered Name Amendment)**

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

#### **Article 93 (Date of Acquisition of Membership)**

1. A person who is approved to obtain membership shall obtain the membership pertaining to the relevant application as of the day on which the procedures provided for in Article 91.1 have been completed.
2. Upon granting of membership pursuant to the provisions of the preceding paragraph, the Exchange shall deliver a membership certificate to the Member who acquired the membership and post the name or trade name of the Member and, if the Member is a juridical person, the name of the representative of such Member on the bulletin board of the Exchange.

#### **Article 94 (Condition to Trade)**

1. A Member who desires to execute transaction in TOCOM market shall be the Clearing Participants in the relevant market or Non-clearing Participants who have appointed the Designated Clearing Participant for transactions in the relevant market, and shall have consigned the guarantee of liabilities to the Clearing House arising from transactions in the TOCOM market to the Exchange.
2. The provisions of Article 104, Article 105 and Article 105-3 shall apply mutatis mutandis to the case where a Member who no longer satisfies the conditions prescribed in previous paragraph has unsettled positions in the market.

### **Chapter 3 Change in and Waiver of Membership**

#### **Article 95 (Addition or Partial Waiver of Membership)**

1. A Member who desires to obtain additional membership pertaining to a market in which the Member intends to trade (with regard to the Precious Metals Market, the Oil Market and the Chukyo-oil Market, including the whole or part of the Listed Commodity Component Products in which the Member intends to trade) within the TOCOM market shall submit to the Exchange the Application Form prescribed by the Detailed Enforcement Rules for Membership, containing necessary matters, together with the documents enumerated in each of the following Items:
  - (1) A written statement and a document certifying that the Member will satisfy the requirements of Article 85 with respect to the listed commodities or the listed commodity indexes of the market that the Member intends to add; and
  - (2) Other written documents deemed necessary by the Exchange.
2. Upon receipt of the documents submitted pursuant to the provisions of the preceding paragraph, the Self-regulatory Committee shall conduct an examination of the application. If the application is approved by the Self-regulatory Committee, the Exchange shall approve additional membership of the applicant.

3. The provisions of Article 91 and Article 93 shall apply *mutatis mutandis* to acquisition of additional membership under the preceding two paragraphs.

#### **Article 96 (Change in the Category of Membership)**

1. A Member who desires to change category of membership, as set forth in Article 87, shall submit to the Exchange, the Application Form for Change in the Category of Membership prescribed by the Enforcement Detailed Rules for Membership containing necessary matters together with the documents deemed necessary by the Exchange.
2. Upon receipt of the application form submitted pursuant to the provisions of the preceding paragraph, the Self-regulatory Committee shall conduct an examination of the application. If the application is approved by the Self-regulatory Committee, the Exchange shall approve the change in the category of membership of the applicant.
3. The provisions of Article 91 and Article 93 shall apply *mutatis mutandis* to change in the category of membership under the preceding two paragraphs.
4. In cases where a Broker Member or a Remote Broker Member has changed the category of its membership, the member may not execute transactions which may create a new position for customers in the market that said change of the category has been approved.
5. In cases where a Broker Member has changed the category of its membership, and such Broker Member had not completed the settlement of its customer transactions, the provisions of Article 105 shall apply *mutatis mutandis* to the settlement of such transactions (excluding cases in which the Broker Member has fallen under any of the Items of Article 105-2.1).
6. In cases where a Remote Broker Member has changed the category of its membership and such Remote Broker Member had not completed the settlement of its customer transactions, the provisions of Article 105-3 shall apply *mutatis mutandis* to the settlement of such transactions.

#### **Article 97 (Notice of Waiver of Membership)**

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

#### **Article 98 (Posting of Notice of Waiver of Membership)**

1. Upon receipt of the Notice of Waiver of Membership submitted pursuant to the provisions of Paragraph 2 of the preceding article, the Exchange shall post the name or trade name of the applicant, the market, and the expected date of waiver of membership on the bulletin board of the Exchange without delay.
2. Upon receipt of the cancellation of the notice of waiver of membership or postponement of the expected date of waiver of membership pursuant to the provisions of Paragraph 3 of the preceding article, the Exchange shall post the notice on the bulletin board of the Exchange without delay.

#### **Article 99 (Waiver of Membership as a Natural Consequence)**

1. Apart from cases provided for in Article 97.1, a Member shall waive the whole or part of its



membership as a natural consequence of any of the following events:

- (1) Where the Member no longer falls under any of the Items of Article 85 for each classification under Article 86 and each category under Article 87;
- (2) Where the market in which the Member trades is closed pursuant to the provisions of Article 95 of the Act;
- (3) Death or dissolution of the Member; or
- (4) Cancellation of membership.

#### **Article 100 (Transactions, etc. In Case of Merger of the Applicant for Waiver of Membership)**

1. In cases where a Member who submitted the full or partial waiver of membership, simultaneously with such waiver, is merged into an entity that is to obtain, or has the same type of membership as that of the applicant or has such entity succeed its business through a demerger, transfers its business to such entity, or become Intermediary from Broker Member, if the Exchange deems that it is unnecessary to have the applicant cover its unsettled positions resulting from transactions in the TOCOM market that pertain to such membership, or its unsettled positions based on consignment of commodity clearing transactions, the Exchange may choose not to suspend such transactions in the TOCOM market that pertain to such membership or consignment of commodity clearing transactions.
2. In cases where a Member has fallen under any of the following Items, subject to approval of the Exchange, the Member may transfer its unsettled positions resulting from transactions in the TOCOM market that pertain to such membership or its unsettled positions, based on consignment of commodity clearing transactions, to another Member:
  - (1) Where the Member is merged into an Intermediary and the like or has another Member or an Intermediary and the like succeed its business through a demerger or transfers its business to such other Member or Intermediary and the like;
  - (2) Where an Intermediary who accepts consignment of orders is merged into another Intermediary and the like or has another Member or an Intermediary and the like succeed its business through a demerger or transfers its business to such other Member or Intermediary and the like; and
  - (3) Apart from cases enumerated in the preceding two Items, where it is deemed necessary by the Exchange.
3. The provisions of Article 104, Article 105 and Article 105-2 shall not apply *mutatis mutandis* to cases of transfer of positions under the preceding paragraph.

#### **Article 101 (Procedure of Waiver of Membership)**

1. A Member intending to waive the part or whole of membership, or change the category of membership, shall return the Membership Certificate pertaining to such membership to the Exchange and perform the procedure pertaining to Members as prescribed by the Detailed Enforcement Rules for Membership.

#### **Article 102 (Fulfillment of Obligations at the Time of Full Waiver of Membership)**

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

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**Article 103 (Procedure After Full Waiver of Membership)**

1. If, after all obligations are fulfilled pursuant to the provisions of Paragraph 1 of the preceding article, there is any remaining balance to be refunded or delivered to the Member who waived the whole of its membership, the Exchange shall refund or deliver such amount to the Member or its general successor (or a Consignor Protection Fund, if, in cases where the proviso clause of Article 117 applies, the Consignor Protection Fund has exercised the security right).

**Article 104 (Settlement of Proprietary Position After Waiver of the Membership)**

1. In cases where a Member who waived the part or whole of its membership has unsettled proprietary positions in the market that waived membership, the Exchange shall cause the Member or a successor who has assumed the rights and obligations pertaining to the unsettled positions ("Successor") to offset such positions within one (1) month, unless relevant positions are transferred pursuant to the provision of Article 70 or there is a person who is to succeed such obligation in accordance with provisions of Article 106.
2. If the Exchange deems it inappropriate to cause the Member or its Successor to offset the positions in the market for the purpose of applying the provisions of the preceding paragraph, it shall designate another Member of that market to complete such settlement on behalf of such Member or its Successor.
3. For the purpose of applying the provisions of Paragraph 1, the Member who waived its membership or its Successor (excluding a person who is a Member) shall be deemed to be a Member only for the purpose of settling said transaction.
4. When the Exchange causes another Member to offset the positions pursuant to the provisions of Paragraph 2, it shall be deemed that a contract for the consignment of such transactions is established between the Member who waived the whole or part of its membership or its Successor and the another Member.

**Article 105 (Settlement of Customer Position After Waiver of Broker Membership)**

1. In cases where a Broker Member who waived the whole or part of its membership (excluding the case that falls into the following article) has unsettled customer transactions pertaining to such membership, the Exchange shall cause the member or its Successor to offset such positions, unless relevant positions are transferred pursuant to the provisions of Article 70 or there is a person who is to succeed such obligation in accordance with provisions of Article 106.
2. A person who had been said Broker Member in the cases set forth in the preceding paragraph shall be deemed to be a Broker Member only for the purpose of settling customer transactions.
3. Notwithstanding the provisions of Paragraph 1, if the Exchange deems it inappropriate to cause such member or its Successor to complete settlement of transactions in the Market, it shall cause another Broker Member to complete such settlement.
4. When the Exchange causes another Broker Member to complete settlement of transactions, pursuant to the provisions of the preceding paragraph, it shall be deemed that a contract for the consignment of such transactions is established between the said Broker Member and the customer of said transactions.

**Article 105-2 (Special Rules for Settlement of Customer Position After Waiver of Broker Membership)**

1. Notwithstanding the provisions of preceding Article, if a Broker Member has fallen under any of the following Items and has not completed settlement of customer transactions in the Market, the Exchange shall cause the member or its Successor to offset such positions within 1 month, unless relevant positions are transferred pursuant to the provisions of Article 70 or there is a person who is to succeed such obligation in accordance with provisions of Article 106.
  - (1) Where the license granted to the Broker Member under Article 190.1 of the Act is cancelled pursuant to the provisions of Article 235.3 or Article 236.1 thereof;

- (2) Where the license granted to the Broker Member under Article 190.1 of the Act ceased to be effective pursuant to the provisions of Article 190.2 or Article 197.2 thereof (limited to the part pertaining to Paragraph 1, Items 1 through 4 of this article (with regard to Item 2 of the same paragraph, limited to the part pertaining to a merger in the case where the juridical person surviving a merger or a juridical person established by a merger does not engage in the Commodity Futures Transaction Business)); and
- (3) Where the Broker Member has made a notification under Article 119.2.4.
2. The provisions of Article 150 paragraph 2 to 4 shall apply *mutatis mutandis* to the settlement of transaction provided for in the preceding paragraph.

#### **Article 105-3 (Special Rules for Settlement of Customer Position after Waiver of Remote Broker Membership)**

1. In cases where a Remote Broker Member who waived the whole or part of its membership has unsettled customer transactions pertaining to such membership, the Exchange shall cause the member or its Successor to offset such positions, unless relevant positions are transferred pursuant to the provisions of Article 70 or there is a person who is to succeed such obligation in accordance with provisions of Article 106.
2. A person who had been said Remote Broker Member in the cases set forth in the preceding paragraph shall be deemed to be a Remote Broker Member only for the purpose of settling customer transactions.
3. Notwithstanding the provisions of Paragraph 1, if the Exchange deems it inappropriate to cause such member or its Successor to complete settlement of transactions in the Market, it shall cause another Remote Broker Member to complete such settlement.
4. When the Exchange causes another Remote Broker Member to complete settlement of transactions, pursuant to the provisions of the preceding paragraph, it shall be deemed that a contract for the consignment of such transactions is established between the said Remote Broker Member and the customer of said transactions.

#### **Article 106 (Succession to the Status of a Member)**

1. In the event a Member dies and his/her heir or devisee (hereinafter in this article referred to as "Heir") is a Member who has the same type of membership as that of the deceased Member, such Heir shall succeed the rights and obligations of the deceased Member. In this case, the Heir shall notify the Exchange of the fact without delay.
2. In the event a Member dies, if the Heir is a person who qualifies as a Member (excluding those provided for in the preceding paragraph), the Heir may succeed the rights and obligations of the deceased Member provided that the Heir applies for acquisition of membership pursuant to the provisions of Article 89 and has obtained membership within one hundred (100) days of the death of the Member.
3. If there are multiple Heirs in the cases provided for in Paragraph 1 or Paragraph 2, these provisions shall apply to only one Heir designated based on unanimous consent of all the Heirs.
4. In the event that a Member merges (with regard to a Broker Member, excluding cases of a merger between a juridical person who is a Commodity Futures Transactions Dealer and a juridical person who is not a Commodity Derivatives Business Operator, with the former being the surviving juridical person; and limited to cases in which the Broker Member has obtained a license under Article 225.1 of the Act) or demerges in part or in full (with regard to a Broker Member, limited to cases in which the Broker Member has another juridical person to succeed to the whole or part of its Commodity Futures Transactions Business and has obtained a license under Article 225.1 of the Act), the juridical person surviving the merger or the juridical person established by the merger or the juridical person succeeding to a business by the demerger shall succeed to the status of the Member. In this case (excluding cases in which the successor had already obtained a membership of the same type and in the same category as required for the business succeeded by the merger or demerger), the successor shall apply for acquisition of membership pursuant to Article 89 or Article 95.1 or for change in the category of membership pursuant to Article 96.1 without delay.
5. In the event that a Member has transferred the whole or part of its business to another juridical person (with regard to a Broker Member, limited to cases in which the Broker

Member has obtained a license under Article 228.1 of the Act), the juridical person who has acquired the business shall succeed to the status of the Member. In this case (excluding cases in which the juridical person who has acquired the transferred business had already obtained a membership of the same type and in the same category as required for the acquired business), the successor shall apply for acquisition of membership pursuant to Article 89 or Article 95.1 or for change in the category of membership pursuant to Article 96.1 without delay.

## **Chapter 4 Duties and Obligations of Members**

### **Section 1 General Provisions**

#### **Article 107 (Conclusion of Membership Agreement)**

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

#### **Article 108 (Member Representative)**

1. If a Member is a Corporate Member (meaning a member who is a corporate body; same shall apply hereinafter), such member shall, in accordance with the provisions of the Detailed Enforcement Rules for Membership, designate, and notify in advance the Exchange of, one person among its representative directors or representative executives (or if the Corporate Member is a Member and foreign juridical person, persons who are vested with the power to represent the company in Japan and hold the position equivalent to, or higher, than director or executive) as a person who is appropriate for representing the Member at the Exchange (“Member Representative”).
2. Notwithstanding the provisions of the preceding paragraph, a Remote Trade Member or a Remote Broker Member shall designate, and notify in advance the Exchange of, one person among who are vested with the power to represent the company, as a person who is appropriate for representing the Remote Trade Member or the Remote Broker Member at the Exchange.
3. A Corporate Member intending to change the Member Representative notified to the Exchange pursuant to the provisions of the preceding paragraph shall notify the Exchange of the intended change.

#### **Article 108-2 (Contact Agent of Remote Trade Member or Remote Broker Member)**

1. A Remote Trade Member or a Remote Broker Member shall, in accordance with the provisions of the Detailed Enforcement Rules for Membership, notify in advance the Exchange of one clearing participant as an agent where receives the notice on behalf of Remote Trade Member or Remote Broker Member. However, “an agent” shall be replaced with “the representative in Japan” in the case Remote Trade Member or the Remote Broker Member has a representative in Japan (limited to the person who has an address in Japan) as provided for in Article 817.1 of Corporate Law (Act No. 86 of 2005).
2. “An agent” of the preceding paragraph shall act and proceed immediately in an appropriate manner to the notice received on behalf of Remote Trade Member or Remote Broker Member.

#### **Article 109 (Request for Remediation of Member’s Articles of Incorporation and Other Matters)**

1. If the Exchange determines that the Articles of Incorporation, officers, structure to conduct business activities, partnerships, dominance relationship or business relationships with other

- persons of a Member, who is a corporation, are inappropriate the purpose of the Exchange or the operations of the markets of the Exchange, the Exchange may request and demand that the above to be corrected based on the resolution of the Self-regulatory Committee.
2. When the Self-regulatory Committee intends to resolve on the demand for change to a Member pursuant to the provisions of the preceding paragraph, The Exchange may notify the Member of the fact in advance, and provide the Member, or its proxy, with a reasonable opportunity to provide explanation through appearance at the meeting of the Self-regulatory Committee, if it is determined necessary by the Self-regulatory Committee; provided, however, that in this case the Member may submit a written statement to the Exchange in lieu of the provision of explanation at the meeting of the Self-regulatory Committee.
  3. If such corporate Member considers the request for remediation under the preceding paragraph unreasonable, it may object to the request by delivery of a written notice stating the reason for the objection to the Exchange within ten (10) days after receipt of the request.
  4. Upon receipt of the objection provided for in the preceding paragraph, the Self-regulatory Committee shall conduct an examination of such objection without delay.
  5. When it is decided by the Self-regulatory Committee that it is appropriate to modify or revoke the request for remediation made pursuant to the provisions of Paragraph 1 as a result of the examination conducted pursuant to the provisions of the preceding paragraph, the Exchange shall immediately modify or revoke such request.
  6. In the case referred to in Paragraph 2, if the Member, or its proxy, who has been given the opportunity to provide explanation fails to attend such meeting without justifiable grounds, the Self-regulatory Committee may request and demand the relevant change, notwithstanding the provisions of Paragraph 2.
  7. The Exchange shall notify such Member with reason if decided to request the correction provided in paragraph 1 or request the remediation provided in paragraph 5 in writing without delay.

#### **Article 110 (Responses, etc. to Demand for Change)**

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

#### **Article 111 (Payment of Trading Fees)**

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

#### **Article 112 (Guarantee Fund)**

1. A Member shall deposit with the Exchange the amount enumerated in each of the following Items as Guarantee Fund:
  - (1) Rubber Division Member: 1 million yen;
  - (2) Precious Metals Division Member: 3 million yen;
  - (3) Oil Division Member: 1 million yen;
  - (4) Chukyo-oil Division Member: 1 million yen;
  - (5) Aluminum Division Member: 1 million yen; and
  - (6) Agricultural Product & Sugar Division Member: 1 million yen.
2. A Member may not trade in the relevant Market without depositing the respective Guarantee Fund set forth in the preceding paragraph.
3. In the event that a Guarantee Fund becomes subject to disposition due to tax delinquency or disposition due to the effects of the disposition due to tax delinquency, or subject to attachment by a court, the Exchange shall make the relevant Member deposit with the Exchange a certain amount by a certain date and time specified by the Exchange.



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**Article 113 (Preferential Payment of Guarantee Fund)**

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

**Article 114 (Substitution by Securities)**

1. The Guarantee Fund may be deposited in the form of securities ("Substitute Securities").
2. Substitute Securities provided for in the preceding paragraph shall be one or more of the following securities; provided, however, that the securities enumerated in Items 4 through 9 shall be limited to those designated by the Exchange:
  - (1) National government bond certificates or local government bond certificates;
  - (2) Subscription certificates issued by the Bank of Japan;
  - (3) Bond certificates issued by a juridical person pursuant to special Acts;
  - (4) Share certificates traded on an exchange instruments financial market;
  - (5) Share certificates registered in the over-the-counter securities registry prescribed in Article 67-11.1 of the Financial Instruments and Exchange Act;
  - (6) Share certificates (except for share certificates set forth in the preceding two Items) issued by a bank pursuant to the Banking Act (Act No. 59 of 1981);
  - (7) Corporate bond certificates issued by a corporation that issues share certificates set forth in Item 4 or Item 5;
  - (8) Beneficiary certificates prescribed in Article 185.1 of the Trust Act (Act No. 108 of 2006), beneficiary certificates prescribed in Article 2.7 of the Act Concerning Investment Trusts and Investment Corporations (Act No. 198 of 1951) and beneficiary certificates prescribed in Article 2.2 of the Loan Trust Act (Act No. 195 of 1952); and
  - (9) Investment securities prescribed in Article 2.15 of the Act Concerning Investment Trusts and Investment Corporations, investment corporation bond certificates prescribed in Article 2.18 thereof, and foreign investment securities prescribed in Article 220.1 thereof.
3. The allocation price of the Substitute Securities shall be the amount determined in accordance with the Detailed Enforcement Rules for Membership and based on the recent market value of the securities, provided that such price does not exceed the price provided for in Article 39 of the Ordinance.
4. In the event that the amount of Guarantee Fund deposited by a Member falls below the required amount due to changes in the type or issue of Substitute Securities or change in the allocation price, the Exchange shall cause such Member to deposit the incremental amount within the period of time designated by the Exchange, and in the event that such amount exceeds the required amount, the Exchange will refund the excess upon Member request.

**Article 115 (Designation Standards for Substitute Securities)**

1. Designation of Substitute Securities set forth in Items 4 through Item 8 of Article 114.2 shall be limited to securities satisfying the following requirements:
  - (1) For securities with a face value, the market value shall exceed one half of the face value;
  - (2) For share certificates issued by a bank, the issuer bank shall be a bank designated by the Exchange and with whom the Exchange has a business relationship;
  - (3) For corporate bonds, such corporate bonds shall be traded in an exchange instruments financial market and registered on the over-the-counter securities registry provided for in Article 67-11.1 of the Financial Instruments and Exchange Act; and
  - (4) For beneficiary certificates within the meaning of Article 2.2 of the Loan Trust Act, over one (1) year has passed since the expiration date of the loan trust pertaining to such beneficiary certificates.
2. In cases where the Substitute Securities no longer satisfy the requirement set forth in the preceding paragraph, the Exchange shall cancel the designation for the securities without

delay.

3. In addition to the provisions of the preceding article and the preceding two paragraphs, the Exchange shall determine all matters necessary for substitution by the Substitute Securities.

#### **Article 116 (Deposit of Member Security Deposit)**

1. The Exchange may require a Member to deposit with the Exchange the Member Security Deposit pursuant to the provisions prescribed by the Exchange in order to ensure fulfillment of the Member's obligations pertaining to trading fees charged pursuant to the provisions of Article 111.
2. The Member Security Deposit may be deposited in the form of securities in accordance with the provisions prescribed by the Exchange.

#### **Article 117 (Prohibition of Transfer of Right to Claim Return of Guarantee Fund)**

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

#### **Article 118 (Limitation of Liability for Use of Facilities)**

1. The Exchange shall not be liable for any damage that a Member incurs from use of the facilities of the Exchange, including but not limited to computerized trading systems installed by the Exchange, unless otherwise required by applicable laws and regulations or Market Rules.

#### **Article 119 (Matters to be Notified)**

1. A Member shall notify the Exchange, in writing, of the occurrence of any of the following events, without delay:
  - (1) The Member no longer satisfies the membership qualification set forth in each of the Items of Article 85 or the Member has fallen under any of the disqualifying conditions set forth in each of the Items of Article 88.1;
  - (2) The Member becomes insolvent, or otherwise falls into conditions that the Member is unable to perform contractual obligations to the Exchange or of an agreement with other Members by such Member;
  - (3) The Member becomes subject to suspension of business transactions with a bank;
  - (4) There has been a change in the name or trade name (including the company name; the same shall apply hereinafter) of the Member;
  - (5) There has been a change in the name or address of the main office or the primary office (or if a Member is the Remote Trade Member or Remote Broker Member, the name or address of the main office or the office in charge of the transaction at TOCOM) of the Member;
  - (6) If the Member is a juridical person, there has been a change in the Articles of Incorporation or officers of the Member;
  - (7) The Member becomes subject to litigation arising from transactions in the TOCOM market, or a judgment thereof is delivered;
  - (8) The Member becomes subject to disposition due to a tax delinquency or an attachment due to the effects of disposition due to a tax delinquency, or subject to an attachment, a provisional disposition, or any other preservative measures by a court order;
  - (9) The Member becomes subject to criminal prosecution;
  - (10) The Member becomes a Member of another commodity exchange or loses its status as a Member of another commodity exchange;
  - (11) The Member intends to obtain or has obtained, or intends to waive or has waived clearing qualification;
  - (12) The Member intends to undertake a merger, demerger or transfer its business; or
  - (13) The Member intends to change the listed commodities or the listed commodity index that such Member trades in the TOCOM market.
  - (14) If the Member crushed by debt or any question arose in its' audit report

2. A Broker Member or a Remote Broker Member shall notify the Exchange, in writing, of the occurrence of any of the following events, without delay:
  - (1) The Broker Member has made notification to the Consignor Protection Fund pursuant to the provision of Article 303.1 of the Act;
  - (2) The Broker Member has entered into or terminated an agreement concerning transfer of position;
  - (3) The Broker Member obtained permission of the Regulating Minister pertaining to a merger, demerger, or transfer of business under Article 225.1, and Article 228.1 of the Act;
  - (4) The Broker Member abolishes the business pertaining to the activities listed in Article 2.22.1 or Article 2.22.2 of the Act at all the business offices and offices established in Japan;
  - (5) The Remote Broker Member abolishes the business pertaining to the activities listed in the laws and regulations of said foreign state equivalent to Article 2.22.1 or Article 2.22.2 of the Act at all the business offices and offices that handle the transaction in TOCOM; or
  - (6) The Broker Member has fallen under cases separately prescribed by the Detailed Enforcement Rules for Membership.
3. In cases when a Member has fallen under any of the following Items, the person specified in the respective Item shall notify the Exchange, in writing, of the occurrence of any of the following events, without delay:
  - (1) In the event dissolution of a corporate Member following the decision of commencement of bankruptcy proceedings or in the event that an individual Member receives a decision of a commencement of bankruptcy proceedings, the receiver of such Member;
  - (2) In the event of dissolution of a corporate Member due to reasons other than merger or the decision of commencement of bankruptcy proceedings, the liquidator of such Member;
  - (3) In the event that an individual Member dies, the heir of the Member; or
  - (4) In the event that an individual Member is adjudged incompetent, the statutory representative of the Member.
4. Notification made pursuant to the provisions of the preceding three paragraphs shall be accompanied by documents prescribed by the Exchange.

#### **Article 120 (Reporting of Financial Results)**

1. Each business year, a Member shall submit to the Exchange the relevant Financial Statements, etc. or Securities Report or any other documents equivalent thereto by the date specified by the Exchange.
2. Upon request by the Exchange, a Member shall submit to the Exchange a record concerning the amount of the net assets prepared in accordance with the provisions of Article 99.7 of the Act and Article 38 of the Ordinance and any other documents determined necessary by the Exchange by the date specified by the Exchange.

#### **Article 121 (Separate Accounting and Retention of Books)**

1. A Member shall account for transactions in the Market separately from transactions outside the Market.
2. The books concerning transactions in the Market provided for in the preceding paragraph and other documents concerning business operations shall be prepared in accordance with the provisions of Article 50.2 of the Ordinance, and maintained in the main office or a branch or other business office or office of such Member, and kept for a period of ten (10) years pursuant to the provisions of Article 50.3 thereof. Such books may be kept in an electromagnetic device in accordance with Article 51 of the Ordinance.

#### **Article 122 (Separate Accounting and Retention of Books of Broker Members)**

1. A Broker Member shall account for proprietary transactions separately from customer transactions and transactions pertaining to the acceptance of consignment of transactions in the commodity markets, etc. (limited to those listed in Article 2.21.1 of the Act (excluding Commodity Clearing Transactions) or those listed in Article 2.21.3 of the Act) separately from

transactions pertaining to the acceptance of consignment of transactions in the commodity markets, etc. (limited to intermediation listed in Article 2.21.2 or Article 2.21.4 of the Act) on the books provided for in Article 113.1.2 of the Ordinance (excluding the Journal of Commodity Derivative Transactions; the same shall apply hereinafter in this article).

2. The books provided for in Article 113.1.1 and Article 113.1.2 of the Ordinance shall be prepared in accordance with the provisions of Article 113.1 thereof, maintained in the main office or a branch or other business office or office of such Broker Member, and kept for a period of five (5) years in the case of books provided for in Article 113.1.1 thereof or for a period of ten (10) years in the case of books provided for in Article 113.1.2 thereof (or for a period of seven (7) years in the case of order forms) pursuant to the provisions of Article 113.2 thereof. Such books may be kept in an electromagnetic device in accordance with Article 114 of the Ordinance.

#### **Article 122-2 (Separate Accounting and Retention of Books of Remote Broker Members)**

1. A Remote Broker Member shall account for proprietary transactions separately from customer transactions and transactions.
2. The books shall be prepared in the manner prescribed by the Detailed Enforcement Rules for Membership, maintained in the office or other business office of such Remote Broker Member where handles the transaction in TOCOM markets, and kept for a period of ten (10) years. Such books may be kept in an electromagnetic device in accordance with Article 121 .2.

#### **Article 123 (Demand for Submission of Books and Audit)**

1. The Exchange may order the submission of books, documents and other materials set forth in the preceding three articles and an explanation thereof, whenever deemed necessary by the Exchange.
2. Where it is deemed necessary for the purpose of reporting to the Regulating Minister pursuant to the provisions of Item 2 Article 112 of the Act, Article 48 of the Ordinance, Article 158.1 of the Act, or Article 349-2.1 of the Act, the Exchange may order Members to submit books, documents and other materials and may seek an explanation thereof.
3. Upon a request for information from the Clearing House, in relation to the inspection being conducted for the purpose of maintaining fairness in the course of its business of assuming commodity transaction debts, the Exchange may order Members to submit books, documents and other materials set forth in the preceding three articles and an explanation thereof, where it deems appropriate for the Exchange to respond to such request.
4. If the Exchange has entered into an Information Exchange Agreement and the Exchange is requested to provide information based on such agreement, and if the Exchange considers it appropriate to meet such request, the Exchange may respond to such request. In such case, the Exchange may order the relevant Member to submit documents required, and give explanations to the Exchange.
5. The Exchange may dispatch its staff to an office or branch of a Member or a corporation under control of the Member to audit books, documents and other materials relevant to the business operations of such Member, where deemed necessary by the Exchange.
6. A Member may not refuse an order for submission of books and documents under Paragraphs 1 through 4 and audit under the preceding paragraph without justification..
7. The Exchange may require a Member to be audited by a certified public accountant and to submit an audit report prepared by the certified public accountant when it is deemed necessary by the Exchange to verify the assets and accounting conditions of the Member.

#### **Article 124 (Input of Orders Through System Trading)**

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

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**Article 125 (Prohibition of False Report on Transaction)**

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

**Article 126 (Duties of Employer)**

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

**Section 2 Duties and Obligations of Members Without Clearing Qualification**

**Article 127 (Appointment of Designated Clearing Participant)**

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

**Article 128 (Notification of Conclusion of Clearing Agreement)**

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

**Article 129 (Reporting of Cancellation of Clearing Agreement)**

1. In the event of termination of a Clearing Agreement, a Non-Clearing Participant shall notify the Exchange of the details of the termination in a manner prescribed in each of the following Items in accordance with the types of cancellation enumerated in the following Items:
  - (1) Cancellation through mutual agreement:  
No later than three (3) days (excluding holidays) prior to the intended date of such cancellation;
  - (2) Cancellation by advance written notice from the Non-clearing Participant to the General Clearing Participant:  
Without delay after the date of the advance written notice;
  - (3) Cancellation by advance written notice from the General Clearing Participant to the Non-clearing Participant:  
Without delay after the date of the advance written notice;
  - (4) Cancellation due to default by the Non-clearing Participant with respect to obligations arising from transactions based on consignment of commodity clearing transactions:  
No later than the day immediately preceding the intended date of such cancellation.

**Chapter 5 Sanctions and Measures Against Members**

**Article 130 (Sanctions Against Members)**

1. If it is determined that a Member falls under any of the following Items, the Exchange may,



based on the resolution of the Self-regulatory Committee, impose on such Member sanctions specified in the respective Item:

- (1) In the event that a Member fails to pay or deposit money or Substitute Securities for its trading fees, Guarantee Fund and any other liabilities to the Exchange by the due date prescribed by the Exchange, the Exchange may give admonitory warning, suspend or restrict such Member from transactions or consignment of commodity clearing transactions in the Markets in whole or in part, for a period of up to six (6) months, or cancel the membership of such Member;
- (2) In the event that a Member lends its name to others for transactions in the TOCOM market, the Exchange may impose a fine in the amount of 100 million (100,000,000) yen or less, suspend or restrict such Member from transactions or consignment of commodity clearing transactions in the Markets in whole or in part, for a period of up to six (6) months, or cancel the membership of such Member;
- (3) In the event that a Member substantially disturbs the execution of trades of the Market by unreasonably objecting to the executions in the TOCOM market, or substantially impedes the executions of other Members without justifiable reason, the Exchange may give admonitory warning, impose a fine in the amount of 100 million (100,000,000) yen or less, suspend or restrict such Member from executing transactions or consignment of commodity clearing transactions in the Markets, in whole or in part, for a period of up to six (6) months, or cancel the membership of such Member;
- (4) In the event that a Member is suspended from conducting transactions with banks, the Exchange may suspend or restrict such Member from transactions or consignment of commodity clearing transactions in the Markets in whole or in part for a period of up to six (6) months, or cancel the membership of such Member;
- (5) In the event of misrepresentation of the amount of net assets, the Exchange may impose a fine in the amount of 100 million (100,000,000) yen or less, suspend or restrict such Member from transactions or consignment of commodity clearing transactions in the Markets, in whole or in part, for a period of up to six (6) months or cancel the membership of such Member;
- (6) In the event that the Exchange orders a Member to submit books and other documents or reports, or summons the Member or its employee to appear in person before the Exchange with justifiable reasons, and such Member fails to obey such order or summons without justifiable reason, or submits false books, or other documents or reports, the Exchange may give admonitory warning, impose a fine in the amount of 100 million (100,000,000) yen or less, suspend or restrict such Member from transactions or consignment of commodity clearing transactions in the Markets in whole or in part, for a period of up to six (6) months, or cancel the membership of such Member;
- (7) In the event that a Member does not comply with the instructions of the Exchange or matters determined by the Exchange, or avoids complying with such matters without justifiable reason, the Exchange may give admonitory warning, impose a fine in the amount of 100 million (100,000,000) yen or less, suspend or restrict such Member from transactions or consignment of commodity clearing transactions in the Markets in whole or in part, for a period of up to six (6) months, or cancel the membership of such Member;
- (8) In the event that a Member behaves or acts in a manner that breaches the principle of fair and equitable transactions, or harms or disgraces the reputation of the Exchange or its Members, the Exchange may give admonitory warning, impose a fine in the amount of 100 million (100,000,000) yen or less, suspend or restrict such Member from transactions or consignment of commodity clearing transactions in the Markets in whole or in part for a period of up to six (6) months, or cancel the membership of such Member;  
or
- (9) In addition to the matters set forth in each of the preceding Items, in the event that a Member violates applicable laws and regulations, Articles of Incorporation, Market Rules, Brokerage Rules, Dispute Resolution Regulations, or other provisions of rules set forth by the Exchange, or any procedures under such rules, the Exchange may give admonitory warning, impose a fine in the amount of 100 million (100,000,000) yen or less, suspend or restrict such Member from transactions or consignment of commodity clearing transactions in the Markets in whole or in part for a period of up to six (6) months, or cancel the membership of such Member.

2. In cases where Exchange has given admonitory warning, imposed a fine, or ordered the suspension or restriction of the whole or a part of transactions or consignment of commodity clearing transactions in the Markets for a certain period, under any of the cases set forth in the preceding paragraph, in addition to these sanctions, the Exchange may, based on the resolution of the Self-regulatory Committee, order a Member to take measures to remedy the situation arising from the acts giving rise to the sanction or sanctions set forth in each Item of the preceding paragraph before a prescribed date.
3. The Exchange may, based on the resolution of the Self-regulatory Committee, cancel the membership of such Member who fails to take the measures ordered before the prescribed date, as provided for in the preceding paragraph.
4. If a Member falls under any of the Items provided for in Paragraph 1 as a result of the acts of its employees, the Member may not be excused from sanctions on grounds that the sanctions are attributable to its employees.
5. Under Paragraph 1, the Exchange may impose a fine, in addition to suspending or restricting transactions or consignment of commodity clearing transactions, or both.
6. If a Member who is subject to a sanction of suspension or restriction of transactions or consignment of commodity clearing transactions in the Markets, in whole or in part, or cancellation of membership under the provisions of Paragraph 1 or Paragraph 3, is also a Member of another commodity exchange, the Exchange will inform such other commodity exchange of the Member's name or trade name, type of sanction and the reason therefore, as well as provide a summary of the examination process in time so that the information is received by the other commodity exchange before the sanction is enforced.
7. Concerning a Member who is subject to a sanction of suspension or restriction of transactions or consignment of commodity clearing transactions in the Markets, in whole or in part, or cancellation of membership under the provisions of Paragraph 1 and Paragraph 3, the Exchange will inform the Clearing House of the name or trade name, type of sanction and the reason therefore, along with a summary of the examination process of such Member in time so that the information is received by the Clearing House before the sanction is enforced.

#### **Article 131 (Opportunity to Provide Explanation Against Sanctions)**

1. When the Self-regulatory Committee intends to resolve on the imposition of sanctions on a Member pursuant to the provisions of the preceding article, the Exchange shall notify the Member of the fact in advance, and shall provide the Member, or its attorney, with a reasonable opportunity to provide explanation through appearance at the meeting of the Self-regulatory Committee.
2. For the purpose of applying the provisions of the preceding paragraph to cancellation of membership of a Member, a written notice stating the fact and the reason of such cancellation shall be delivered to the Member at least ten (10) days before the date of such meeting.
3. If the Member who has been given the opportunity to provide explanation under Paragraph 1, or its attorney, fails to attend such meeting, the Self-regulatory Committee may resolve on the imposition of the sanction, notwithstanding the provisions of Paragraph 1.

#### **Article 131-2 (Measures for Members subject to Sanctions by Laws and Regulations)**

1. In cases where a Member is ordered to suspend transactions or the Commodity Futures Transactions Business by the Regulating minister under Article 232.2, Article 235.2, and Article 236.1 of the Act, the Exchange shall, in accordance of the specifics of such sanction, impose on such Member sanctions of suspension or restriction of transactions or consignment of commodity clearing transactions, in the whole or part of the Markets.
2. The provisions of Article 138 shall apply mutatis mutandis to cases in which the Exchange imposed sanctions pursuant to the provisions of Paragraph 1.

#### **Article 132 (Suspension of Transaction)**

1. In the event that Members fall under any of the following Items, the Exchange may take measures specified in the respective Item; provided, however, that, with regard to Item 4 or Item 5, if the relevant Broker Member continues to be a Member of the Exchange, the

Exchange may take measures specified in the each Item to the extent the Exchange considers necessary:

- (1) In the event that a Clearing Participant has its clearing qualification cancelled by the Clearing House or is subject to suspension of all or a part of assumption of liabilities (excluding those cases arising from the measures taken pursuant to the provisions of Paragraph 2, Item 2 of the following article), the Exchange may suspend such Clearing Participant from transactions in the TOCOM market to the extent that it corresponds to the cancellation or suspension;
  - (2) In the event that a Designated Clearing Participant of a Non-clearing Participant has its clearing qualification cancelled by the Clearing House, or subject to suspension of all or a part of assumption of liabilities, the Exchange may suspend such Non-clearing Participant from transactions or consignment of commodity clearing transactions in the TOCOM market to the extent that it corresponds to the cancellation or suspension;
  - (3) In the event that a Non-clearing Participant has not designated a Designated Clearing Participant, the Exchange may suspend such Non-clearing Participant from transactions or consignment of commodity clearing transactions in the TOCOM market;
  - (4) In the event that a Broker Member or a Remote Broker Member has given a public notice, in accordance with Article 197.3 of the Act or equivalent laws or Rules in foreign jurisdiction, and such Broker Member or Remote Broker Member does not submit the notice for full waiver of membership provided for in Article 97, the Exchange may suspend such Broker Member from transactions, or consignment of commodity clearing transactions, in the TOCOM market; and
  - (5) In the event that a Broker Member has made a notification under Article 119.2.4 or a Remote Broker Member has made a notification under Article 119.2.5, the Exchange may suspend such Broker Member from transactions, or consignment of commodity clearing transactions, in the TOCOM market.
2. In the case of Item 3 of the preceding paragraph, when a Designated Clearing Participant is no longer a Designated Clearing Participant following the cancellation of a Clearing Agreement with a Non-clearing Participant, notwithstanding the provisions of said paragraph, such Non-clearing Participant may, subject to the approval of the Exchange, consign transactions or commodity clearing transactions in the TOCOM market, to the extent necessary for the liquidation of remaining positions of the Non-clearing Participant in the TOCOM market.
  3. In the case of the preceding paragraph, the person who was a Designated Clearing Participant until then, shall be deemed the Designated Clearing Participant of the Non-clearing Participant only for the purpose of settle the remaining positions of the Non-clearing Participant in the TOCOM market.
  4. In cases where Members who fall under Paragraph 1 (limited to the cases falling under Item 3, Item 4 or Item 5) are a Member of another commodity exchange, the Exchange shall notify such other commodity exchange of the name or trade name of said Member and details of the event.
  5. The Exchange shall notify the Clearing House of the name or trade name of Member who fell under Paragraph 1 (limited to the cases falling under Item 3, Item 4 or Item 5) and details of the event.
  6. Article 138 shall apply mutatis mutandis to the case where the Exchange takes measures prescribed in paragraph 1.

### **Article 133 (Measures in Case of Default)**

1. In the event that Members fall under either of the following Items, the Exchange shall suspend transactions in, or consignment of, commodity clearing transactions of such Member ("defaulting person") in the TOCOM market, and settle the positions of such Member in accordance with the provisions of Article 71, unless such positions are to be transferred in accordance with the provisions of Article 70:
  - (1) Members do not deposit Guarantee Fund; or
  - (2) Members do not pay or deposit trading fees or other money that is required to pay to, or deposit with the Exchange.
2. In the event that Members fall under any of the following Items, the Exchange shall deem said Member a defaulting person and shall apply the provisions of the preceding paragraph to the

- defaulting person:
- (1) When Members have received notification of the commencement of bankruptcy proceedings, or equivalent notification at foreign jurisdiction;
  - (2) For Clearing Participants, when such Clearing Participants are considered insolvent by the Clearing House;
  - (3) When there is a notification as per Article 119.1.2; and
  - (4) When Members have become a Defaulting Person in another commodity exchange or equivalent exchange in foreign jurisdiction.
3. When a Designated Clearing Participant of a Non-clearing Participant becomes a Defaulting Person pursuant to the preceding two paragraphs, such Non-clearing Participant shall be deemed to be a Defaulting Person to whom the provisions of Paragraph 1 apply, unless such Non-clearing Participant immediately designates a new Designated Clearing Participant, or otherwise the Exchange acknowledges that there is no need to deem such Non-clearing Participant to be a defaulting person.
  4. In cases where Members fall under Paragraph 1, (including cases in which the provisions of Paragraph 1 are applied under Paragraph 2 (limited to the cases falling under Item 1 or Item 3) or Paragraph 3 (limited to the cases falling under Paragraph 1 or Item 1 of Paragraph 2)) are also a Member of other commodity exchanges in Japan, the Exchange shall inform such other commodity exchanges in Japan of the name or trade name of said Member and details of the event.
  5. The Exchange shall inform the Clearing House of the name or trade name of Member who fall under Paragraph 1 (including cases in which the provisions of Paragraph 1 are applied under Paragraph 2 (limited to the cases falling under Item 1 or Item 3) or Paragraph 3 (limited to the cases falling under Paragraph 1 or Item 1 of Paragraph 2)), and details of the event.
  6. Article 138 shall apply *mutatis mutandis* to the case where the Exchange takes measures prescribed in paragraph 1 or paragraph 2.

#### **Article 134 (Measures in Case of Default by Non-clearing Participant)**

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

#### **Article 135 (Lifting of Suspension of Transactions)**

1. A Member who has become subject to sanctions of suspension or restriction of transactions or consignment of commodity clearing transactions in the Markets, in whole or in part, under Article 130.1 shall notify the Exchange, when it has remedied the causes that gave rise to such sanction or has taken the measures as ordered pursuant to the provisions of Article 130.2 before the specified deadline, of the fact in writing. In such case, the Member may file a request for the lifting of the sanction.
2. The notification pursuant to the provisions of the preceding paragraph shall be accompanied with a note explaining the measures the Member has taken in removing the cause of the sanction.
3. Upon receipt of the documents provided for in Paragraph 1, the Exchange may lift or reduce the sanctions of suspension or restriction of transactions or consignment of commodity clearing transactions, if it is determined to be appropriate by the Self-regulatory Committee, based on the examination of the documents.
4. The provisions of Article 130.6, Article 130.7, and Article 138 shall apply *mutatis mutandis* to the lifting or reduction of sanctions provided for in the preceding paragraph.

#### **Article 136 (Objection)**

1. In cases where a Member disagrees with the imposed sanction (excluding a case of cancellation of membership), the Member may file an objection, in writing, with the Exchange within ten (10) days of the enforcement date of such sanction.

2. Upon receipt of the statement of objection submitted, pursuant to the provisions of the preceding paragraph, the Exchange shall decide whether the Exchange accepts or rejects the objection based on the resolution of the Self-regulatory Committee.
3. A Member who files an objection shall be liable for expenses incurred in relation to the examination, if the objection is rejected.
4. The provisions of Article 138 shall apply *mutatis mutandis* to cases in which a decision is made as to whether the Exchange accepts or rejects the objection pursuant to the provisions of Paragraph 2.

#### **Article 137 (Special Rules for Sanctions)**

1. Notwithstanding the provisions of Article 130.1, when a Member becomes subject to sanctions of suspension or restriction of transactions or consignment of commodity clearing transactions by another commodity exchange, or is subject to cancellation of clearing qualification, or suspension or restriction of the whole or a part of assumption of liabilities by the Clearing House, the Exchange may, based on the resolution of the Self-regulatory Committee, impose a fine within the scope of such dispositions, or impose a sanction of 100 million (100,000,000) yen or less.
2. In the event the Exchange suspends or restricts transactions or consignment of commodity clearing transactions as a sanction on a Member pursuant to the provisions of the preceding paragraph, it may, upon receiving a notice similar to the notice set forth in Article 135.4 from another commodity exchange or from the Clearing House, lift or reduce the sanction it imposed on the Member based on the resolution of the Self-regulatory Committee.
3. In addition to the cases provided for in Paragraph 1, in cases where the Exchange receives an order from the Regulating Minister to cancel the membership of a Member, or suspend a Member from transactions or consignment of commodity clearing transaction in the Market for a period of up to six (6) months, as specified by the Exchange pursuant to the provisions of Article 160 of the Act, it shall comply with the order and enforce the sanction on such Member.
4. The provisions of Article 131 shall apply *mutatis mutandis* to cases in which the Exchange intends to impose sanctions pursuant to the provisions of Paragraph 1 and the provisions of Article 130.6, Article 130.7, and the following paragraph shall apply *mutatis mutandis* to cases in which the Exchange imposed sanctions pursuant to the provisions of Paragraph 1.
5. The provisions of Article 130.6, Article 130.7, and the following paragraph shall apply *mutatis mutandis* to the lifting or reduction of sanctions provided for in Paragraph 2.

#### **Article 138 (Notification and Posting of Sanctions)**

1. When the Exchange decides to impose a sanction on a Member, it will notify the Member of the reason in writing without delay.
2. When the Exchange decides to impose a sanction on a Member, it will post the name or trade name of such Member, the type of sanction to be imposed and the reason therefore on a bulletin board of the Exchange or disclose in public in the way prescribed in Membership Enforcement Detailed Rule. The posting on a bulletin board of the Exchange set forth in the preceding paragraph shall be for a period of five (5) business days.

#### **Article 139 (Display of Suspension of Commodity Futures Transactions Business, etc.)**

1. A Broker Member who has been suspended from conducting the Commodity Futures Transactions Business or a Remote Broker Member who has been suspended from conducting the transaction by the rules in Japan or overseas shall display a notice at somewhere that can be easily seen by the public to the effect that it will not accept consignment of transactions in the TOCOM market for the specified suspension period.

#### **Article 140 (Notification)**

1. If a Member discovers a breach of the Articles of Incorporation, Market Rules, Brokerage Rules, Dispute Resolution Regulations and other rules by another Member, or discovers wrongful deeds or improper behavior regarding transactions by another Member, such



- Member may inform the Exchange of the fact by a written notice to that effect with signature and seal affixed.
2. Upon receipt of a written notice set forth in the preceding paragraph, the Exchange shall immediately deliver a copy of the notice without disclosing the name or trade name of the informing Member to the subject Member and request an explanation therefore.
  3. The subject Member shall submit a written response, with name and seal affixed, to the Exchange within five (5) days from the day on which it received the written notice set forth in the preceding paragraph, or by the day that is deemed appropriate by the Exchange.
  4. Upon receipt of the written response set forth in the preceding paragraph, or if the Exchange has not received such written response by the specified date, the Self-regulatory Committee shall conduct an examination of the matters informed without delay.
  5. If the Exchange determines that the subject Member falls under any of the Items of Article 130.1 after conducting the examination provided for in the preceding paragraph, the Exchange may proceed with sanctions in accordance with the provisions in this chapter.

#### **Article 141 (Violation of the Fair and Equitable Principles of Transactions)**

1. The following acts or behavior shall be regarded as a violation of fair and equitable principles of transactions:
  - (1) Engaging in unfair transactions or brokerage activities;
  - (2) Not maintaining credibility;
  - (3) Engaging in acts that are in conflict with customer protection; and
  - (4) Engaging in careless or negligent transactions or brokerage activities.

#### **Article 142 (Recommendation)**

1. In the event that the Exchange considers that the business activities relevant to transactions of a Member in the TOCOM market, or other business that such Member engages in, or the business of other corporation that such Member controls, or is controlled by, or financial conditions of such Member are inappropriate for the operations of the Exchange, it may, based on the resolution of the Self-regulatory Committee, recommend such Member take appropriate measures to rectify its condition.
2. With respect to the recommendations given to a Member pursuant to the provisions of the preceding paragraph, the Exchange may request the Member to report on the measures taken by the Member, if it is deemed necessary.

### **Chapter 6 Miscellaneous Provisions**

#### **Article 143 (Associate Member)**

1. Notwithstanding the provisions of Article 85 through Article 87, in order for the following persons to engage in transactions in the Markets of the Exchange, the Exchange may have Associate Members: persons who engage in any of the following Items:
  - (1) who engage commercially in buying, selling, etc. of Listed Commodity Component Products (Item A to E of Article 85.1.1) of the Exchange in overseas markets;
  - (2) persons who fall under Article 85.1.3;
  - (3) persons in a foreign country who fall under Item A to K of Article 85.1.5; and
  - (4) persons who fall under L of Article 85.1.5.

#### **Article 144 (Interest on Deposits)**

1. The Exchange shall not pay any interest on guarantee fund that Members deposited in the form of cash.

#### **Article 145 (Special Measures in Case of Force Majeure)**

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

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## Supplementary Provisions

### Article 1

These Rules shall take effect on the later of May 7, 2009 or the day on which the approval was obtained pursuant to Article 156.1 of the Commodity Exchange Act (Act No. 239 of 1950) (i.e., March 19, 2009).

### Article 2

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

### Article 3

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

## Supplementary Provisions

Revisions to the provisions of Article 1 (Purpose), from Article 3 (Market Management Detailed Rules) to Article 9 (Temporary Halt of Session), Chapter name of Chapter 3 (Commodity Markets, Listed Products, Trading Periods, Price Quotation Unit and Contract Size), Article 10 (Underlying products of Transactions), Article 13 (Underlying of Options Transactions), Article 18 (Method of Trade Execution), from Article 22 (Indication of Bids and Offers) to Article 32 (EFP Transactions and EFS Transactions), Article 35 (Suspension of EFP transactions, etc.), Article 36 (Settlement Price), from Article 38 (Notification of Transaction) to Article 41 (Clearing Margins for Clearing Participants), Article 43 (Deposit of Clearing Margins for Customer Positions by Non-clearing Participants), from Article 47 (Settlement by Delivery) to Article 49 (Delivery P), Article 54 (Warehouse Receipt and Shipping Request for Commodities to be Delivered), Article 60 (Notification Concerning Delivery of Gas Oil), Article 62 (Final Settlement Price), from Article 64 (Exercise Period) to Article 66 (Allocation of Options Exercise), Article 68 (Execution of Physically Delivered Futures Transactions upon Options Exercise), Article 70 (Transfer of Positions), Article 71 (Default Procedure), Article 73 (Procedure for Defaulting Non-delivery Positions), Article 74 (Procedure for Defaulting Delivery Positions), from Article 76 (Notification Concerning Transfer of Positions and Default Procedure) to Article 91 (Procedures for Acquisition of Membership Qualification), from Article 93 (Date of Acquisition of Membership Qualification) to Article 98 (Posting of Application for Full Waiver of Membership Qualification), from Article 100 (Transactions in Case of Merger of the Applicant for Waiver of Membership Qualification) to Article 108 (Member Representative), from Article 109 (Request for Remediation of Member's Articles of Incorporation and Other Matters) to Article 116 (Deposit of Member Security Deposit), from Article 118 (Limitation of Liability for Use of Facilities) to Article 120 (Submission of Record Concerning the Amount of Net Assets), Article 123 (Demand for Submission of Books and Audit), from Article 125 (Prohibition of False Report of Transaction) to Article 140 (Notification), and from Article 142 (Recommendation) to Article 145 (Special Measures in Case of Force Majeure), the deletion of Article 72 (Non-defaulting Person and Non-defaulting Position), and the newly established provisions of Article 9-2 (Listed Commodities, etc.), Chapter 4-2 (Settlement of Transactions), Article 35-2 (Settlement of Transaction in Commodity Markets), and Article 108-2 (Contact Agent of Remote Trade Member) adopted by resolution at the meeting of the Board of Directors held on September 15<sup>th</sup>, 2009 shall become effective on the later date when the amendment rule (Act No. 74 of 2009) of Commodity Exchange Act and the regulation regard to the Commodity Investment Business become effective or when the Commodity Act (Act No. 239 of 1950) Article 155.1 approved by the Minister of Economy, Trade and Industry (October 7, 2009).

## Supplementary Provisions

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

## Supplementary Provisions

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

(November 30, 2009) and shall be applied to the Contract Months on and after December 2010.

### **Supplementary Provisions**

Revisions to the provisions of Paragraph 4.2 of Article 3 (Detailed Rules) and the newly established provisions of Article 31-2 (Block Transactions), Article 31-3 (Registration in Advance of Block Transaction Qualification), Article 31-4 (Request Price of Block Transactions), Article 31-5 (Hours for Block Transaction Requests), Article 31-6 (Contract Months Eligible for Block Transaction Requests), and Article 31-7 (Suspension of Block Transactions), adopted by resolution at the meeting of the Board of Directors held on January 19, 2010 shall become effective on the date on which the approval under Article 156.1 of the Commodity Exchange Act (Act No. 239 of 1950) is obtained (February 4, 2010).

### **Supplementary Provisions**

Revisions to the provisions of Article 3 (Detailed Rules), Article 4 (Definition of Transactions), Article 9-2 (Commodity Markets, Listed Products, etc.), Article 10 (Underlying Products of Transactions), Article 14 (Last Trading Day of the Current Contract Month), Article 15 (First Trading Day of a New Contract Month), Article 16 (Contract Months), Article 17 (Price Quotation Unit, Price Increments, Contract Unit, Delivery Unit, and Exercise Unit), Article 19 (Individual Auction), Article 24 (Error Correction), Article 25 (Transfer at the Time of a Breakdown of Member Terminals), Article 28 (Take-up Application), Article 30 (Restriction on Position or Transaction), Article 31 (Special Transactions), Article 36 (Settlement Price), Article 37 (Execution Price Differential, Settlement Price Differential, and Strike Price Differential), Article 38 (Notification of Transaction), Article 40 (Clearing Margins), Article 73 (Procedure of Defaulting Non-delivery Positions), Article 77 (Calculation of Losses Arising from Default), Article 78 (Matters to be Publicly Posted), Article 79 (Notification and Public Posting of Total Trading Volume and Other Information), Article 85 (Membership Qualification), Article 86 (Classification of Members), Article 95 (Addition or Partial Waiver of Membership Qualification), Article 112 (Guarantee Fund), and Article 119 (Matters to be Notified), amendments to the chapter name of Chapter 3 (Commodity Markets, Listed Products, Trading Periods, and Units) and Chapter 7 (Delivery, Final Settlement and Exercise of Options), the deletion of Article 75 (Default Procedure for Options Transactions), and the newly established provisions of Article 12-2 (Index underlying Index Futures Transaction), Article 16-2 (Contract Day Transaction), Section 3 (Settlement for Index Futures Transactions), and Article 63-2 (Settlement Method for Positions in Index Futures Transactions), adopted by resolution at the meeting of the Board of Directors held on November 17, 2009 shall become effective on the later of March 23, 2010 or the date on which the approval under Article 156.1 of the Commodity Exchange Act (Act No. 239 of 1950) is obtained (March 15, 2010).

### **Supplementary Provisions**

Revisions to the provisions of Article 10 (Underlying Products of Transactions), Article 11 (Standard Grade Materials), Article 17 (Price Quotation Unit, Price Increments, Contract Unit, Delivery Unit, and Exercise Unit), and Article 52 (Delivery Payment), adopted by resolution at the meeting of the Board of Directors held on January 19, 2010 shall become effective on the later of May 6, 2010 or the date on which the approval under Article 156.1 of the Commodity Exchange Act (Act No. 239 of 1950) is obtained (March 23, 2010).

### **Supplementary Provisions**

#### **Article 1**

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

(Lifting of Suspension of Transactions) through Article 137 (Special Rules for Sanctions) Article 140 (Notification), and Article 142 (Recommendation), adopted by resolution at the meeting of the Board of Directors held on May 27, 2010 shall become effective on the later of July 1, 2010 or the day on which the approval under Article 156.1 of the Commodity Exchange Act (Act No. 239 of 1950) is obtained (June 29, 2010).

#### **Article 2**

Revisions to the provisions of Article 5 (Trading Hours) through Article 7 (Business Days and Holidays), adopted by resolution at the meeting of the Board of Directors held on May 27, 2010 shall become effective on the later of September 21, 2010 or the day on which the approval under Article 156.1 of the Commodity Exchange Act (Act No. 239 of 1950) is obtained (June 29, 2010).

### **Supplementary Provisions**

#### **Article 1**

Revisions to the provisions of Article 9-2 (Commodity Markets, Listed Products, Trading Periods, and Units) and Article 30 (Restriction on Position or Transaction) shall become effective on the date on which the approval under Article 156.1 of the Commodity Exchange Act (Act No. 239 of 1950) is obtained (August 9, 2010).

#### **Article 2**

Revisions to the provisions of Article 17 (Price Quotation Unit, Price Increments, Contract Unit, Delivery Unit, and Exercise Unit) shall become effective on the date which the approval under Article 156.1 of the Commodity Exchange Act (Act No. 239 of 1950) is obtained (August 9, 2010) and shall be applied to the Contract Months on and after March 2011.

### **Supplementary Provisions**

Revisions to the provisions of Article 3 (Detailed Rules) and the newly established Article 6-2 (Orders through Customer Direct Access) shall take effect on the date on which the approval was obtained pursuant to Article 156.1 of the Commodity Exchange Act (Act No. 239, 1950) (i.e., September 27, 2010).

### **Supplementary Provisions**

Revisions to the provisions of Article 9-2 (Commodity Markets, Listed Products, Trading Periods, and Units) through Article 11 (Standard Grade Materials), Article 14 (Last Trading Day of the Current Contract Month), through Article 17 (Price Quotation Unit, Price Increments, Contract Unit, Delivery Unit, and Exercise Unit), Article 49 (Delivery Points), Article 50 (Delivery Date and Time), Article 54 (Warehouse Receipt and Shipping Request for Commodities to be Delivered), Article 57 (Declared Delivery), Article 58 (Customized Delivery), Article 74 (Disposition for Defaulting Delivery Positions), Article 86 (Classification of Members), Article 94 (Members Those Qualified to Trade), Article 95 (Addition or Partial Waiver of Membership Qualification) and Article 112 (Guarantee Fund) shall become effective on the date on which the approval under Article 156.1 of the Commodity Exchange Act (Act No.239 of 1950) is obtained (October 4, 2010).

### **Supplementary Provisions**

#### **Article 1**

Revisions to the provisions of Paragraph 2 of Article 42 (Deposit of Clearing Margins for Proprietary Positions by Non-clearing Participants) and Paragraph 6 of Article 43 (Deposit of Clearing Margins for Customer Positions by Non-clearing Participants) shall become effective on the date on which the approval was obtained pursuant to Article 156.1 of the Commodity Exchange Act (Act No. 239, 1950) (i.e., December 3, 2010).

#### **Article 2**

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



Customer Positions by Non-clearing Participants), Article 45 (Maintaining of Clearing Margins by Non-clearing Participants), Article 46 (Clearing Margin Maintenance Amount Notification by Non-clearing Participants), Article 49 (Delivery Points), Article 54 (Warehouse Receipt and Shipping Request for Commodities to be Delivered), Article 57 (Declared Delivery), Article 58 (Customized Delivery), Article 62 (Final Settlement Price), Article 65 (Notification of Option Exercise), Article 66 (Allocation of Option Exercise), Article 68 (Execution of Physically Delivered Futures Transactions upon Option Exercise), Article 73 (Procedure of Defaulting Non-delivery Positions), Article 85 (Membership Qualification), Article 88 (Disqualifying Conditions), Article 89 (Application for Acquisition of Membership Qualification), Article 95 (Addition or Partial Waiver of Membership Qualification), Article 105 (Special Rules for Settlement of Transactions by Broker Member), Article 106 (Succession to the Status of a Member), Article 119 (Matters to be Notified) through Article 122 (Separate Accounting and Retention of Books of Broker Members), Article 132 (Suspension of Transaction), 137 (Special Rules for Sanctions) and Article 139 (Display of Suspension of Commodity Futures Transactions Business), and the deletion of Article 110 (Restriction on Mediation of Consignment) shall become effective on the later of January 1, 2011 or the day on which the approval under Article 156.1 of the Commodity Exchange Act (Act No. 239 of 1950) is obtained (December 3, 2010).

## **Supplementary Provisions**

### **Article 1**

The newly established Article 31-7 (Request Quantity of Block Transactions), and the revisions to the provisions of Article 29 (Special Provision for the Default Procedure), Article 31-2 (Block Transactions), Article 31-3 (Registration in Advance of Block Transaction Qualification), Article 31-4 (Request Price of Block Transactions), Article 31-5 (Hours for Block Transaction Requests), Article 31-6 (Contract Months, etc., Eligible for Block Transaction Requests), Article 31-8 (Suspension of Block Transactions), Article 32 (EFP Transactions and EFS Transactions), Article 34 (Permissible Price for EFP Transactions, etc.), Article 70 (Transfer of Positions), Article 78 (Matters to be Publicly Posted), and Article 79 (Notification and Public Posting of Total Trading Volume and Other Information) shall take effect on the date on which the approval was obtained pursuant to Article 156.1 of the Commodity Exchange Act (Act No. 239 of 1950) (December 24, 2010).

### **Article 2**

Revisions to the provisions of Article 35-2 (Stop Loss Transactions) shall become effective on the later of January 1, 2011 or the day on which the approval under Article 156.1 of the Commodity Exchange Act is obtained (December 24, 2010).

## **Supplementary Provisions**

### **Article 1**

Revisions to the provisions of Article 30 (Restriction on Position or Transaction) shall become effective on the day on which the approval under Article 156.1 of the Commodity Derivatives Act (Act No. 239 of 1950) is obtained (January 26, 2011).

### **Article 2**

The newly established Article 80-2 (Measures to be Taken When a Trade is Executed As a Result of an Erroneous Order, etc.) revisions to the provisions of Article 80 (Cancellation of Trade) and Article 81 (Notification of Trade Cancellation) shall become effective on the later of March 1, 2011 or the day on which the approval under Article 156.1 of the Commodity Derivatives Act is obtained (January 26, 2011).

## **Supplementary Provisions**

### **Article 1**

The name of newly established Section 5 of Chapter 7 Part 2, and the newly established Article 69-2 (Settlement Method) shall become effective on the day on which the approval under Article 156.1 of the Commodity Derivatives Act is obtained (March 29, 2011).

### **Article 2**

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

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Day Transaction), Article 17 (Price Quotation Unit, Price Increments, Contract Unit, Delivery Unit, Exercise Unit, etc.), Article 19 (Individual Auctions), Article 31-6 (Contract Months, etc. Eligible for Block Transaction Requests), Article 36 (Settlement Price, etc.), Article 63-4 (Settlement Method for Positions in Contract Day Index Futures Transactions) and the name of Section 3 of Chapter 7, Part 2 shall become effective on the later of May 2, 2011 or the day on which the approval under Article 156.1 of the Commodity Derivatives Act is obtained (March 29, 2011).

### **Article 3**

Notwithstanding the provision of Article 16.3, newly established contract on the effective date prescribed in preceding paragraph for Index Futures transactions of Nikkei-TOCOM Commodity Index Market (exclude Contract-day index futures transaction) shall be March 2012 contract.

### **Supplementary Provisions**

Revisions to the provisions of Article 26 (Give-up), Article 27 (Give-up Application), Article 28 (Take-up Application) and Article 138 (Notification and Posting of Sanctions) shall take effect on the date on which the approval was obtained pursuant to Article 156.1 of the Commodity Derivatives Act (Act No. 239, 1950) (i.e., May 23, 2011).

### **Supplementary Provisions**

#### **Article 1**

Revisions to the provisions of Article 32 (EFP Transactions and EFS Transaction) and Article 36 (Settlement Price) shall become effective on 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).

#### **Article 2**

The newly established Article 28-2 (Special Provisions for Give-up Applications and Take-up Applications) and Article 28-3 (Cancellation of Give-up) and revisions to the provisions of Article 26 (Give-up), Article 27 (Give-up Application), and Article 28 (Take-up Application) shall become effective on the later of December 19, 2011 or the day on which the approval under Article 156.1 of the Commodity Derivatives Act is obtained (October 18, 2011).

### **Supplementary Provisions**

Revisions to the provisions of Article 36 (Settlement Price) shall become effective on the later of March 1, 2012 or the day on which the approval was obtained pursuant to Article 156.1 of the Commodity Derivatives Act (Act No. 239, 1950) (i.e., October 24, 2011).

### **Supplementary Provisions**

Revisions to the provisions of Article 3 (Detailed Rules) and the newly established Chapter 8-2 (Special Provisions for the Transfer of Positions and Order Processing in the Discontinued Commodity Market and the Newly Established Commodity Market) and Article 77-2 (Special Provisions for the Transfer of Positions and Order Processing in the Discontinued Commodity Market and the Newly Established Commodity Market) through Article 77-8 (Replacement of Terms Regarding Settlement of Transaction in Commodity Markets) shall become effective on the date on which the approval was obtained pursuant to Article 156.1 of the Commodity Derivatives Act (Act No. 239, 1950) (i.e., June 4, 2012).

### **Supplementary Provisions**

Revisions to the provisions of Article 10 (Settlement Price) shall become effective on the day on which the approval was obtained pursuant to Article 156.1 of the Commodity Derivatives Act (Act No. 239, 1950) (i.e., June 8, 2012) and shall be applied to the Contract Months on and after December 2012.

### **Supplementary Provisions**

Revisions to the provisions of Article 89 (Application for Acquisition of Membership Qualification), Article 95 (Addition or Partial Waiver of Membership Qualification) and Article 96 (Change in the Category of Membership Qualification) shall become effective on the day on which the approval was obtained pursuant to Article 156.1 of the Commodity Derivatives Act (Act No. 239, 1950) (i.e., August 13, 2012).

## Supplementary Provisions

### Article 1

Newly established Chapter name of Part 2 Chapter 8-2 and Article 70-2 (Notification Concerning Transfer of Positions) and the revisions to the provisions of Chapter name of Part 2 Chapter 7, Chapter 8 and Chapter 8-3, Article 1 (Purpose), Article 2 (Interpretation), Article 4 (Definition of Transactions), Article 6 (Acceptance of Orders), Article 7 (Business Days and Holidays), Article 8 (Temporary Opening and Closing of Session), Article 9-2 (Commodity Markets, Listed Products, etc.), Article 15 (First Trading Day of a New Contract Month), Article 19 (Individual Auction), Article 28-2 (Special Provisions for Give-up Applications and Take-up Applications), Article 28-3 (Cancellation of Give-up), Article 31 (Special Transactions), Article 31-2 (Block Transactions), Article 31-5 (Hours for Block Transaction Requests), Article 32 (EFP Transactions and EFS Transactions), Article 52 (Delivery Payment), Article 53 (Consumption Tax Applicable to Delivery), Article 63 (Settlement Method for Current Contract Month Positions), Article 70 (Transfer of Positions), Article 71 (Default Procedure), Article 76 (Notification Concerning Transfer of Positions and Default Procedure), Article 80 (Measures to be Taken When Operational Trouble of the Electronic Trading System Occurs), Article 81 (Notification of Trade Cancellation), Article 82 (Emergency Measures), Article 88 (Disqualifying Conditions), Article 99 (Waiver of Membership Qualification as a Natural Consequence), Article 100 (Transactions, etc. In Case of Merger of the Applicant for Waiver of Membership Qualification), Article 105 (Special Rules for Settlement of Transactions by Broker Member), Article 108 (Member Representative) through Article 110 (Responses, etc. to Demand for Change), Article 115 (Designation Standards for Substitute Securities), Article 118 (Limitation of Liability for Use of Facilities), Article 119 (Matters to be Notified), Article 130 (Sanctions Against Members), Article 131 (Opportunity to Provide Explanation Against Sanctions), Article 133 (Measures in Case of Default), Article 135 (Lifting of Suspension of Transactions), Article 136 (Objection), Article 138 (Notification and Posting of Sanctions), Article 140 (Notification) through Article 142 (Recommendation) and Article 145 (Associate Member) shall become effective on the day on which the approval was obtained pursuant to Article 156.1 of the Commodity Derivatives Act (Act No. 239, 1950) (i.e., September 13, 2012).

### Article 2

Revisions to the provisions of Article 14 (Last Trading Day of the Current Contract Month and End of the Index Futures), Article 36 (Settlement Price) and Article 62 (Final Settlement Price) shall become effective on the day on which the approval was obtained pursuant to Article 156.1 of the Commodity Derivatives Act (Act No. 239, 1950) (i.e., September 13, 2012) and shall be applied to the Contract Months on and after December 2013.

## Supplementary Provisions

### Article 1

Revision to the provisions of Section name of Chapter 7 Section 4 and Chapter 7 Section 5, Article 3 (Detailed Rules), Article 9-2 (Commodity Markets, Listed Products, etc.), Article 10 (Underlying Products of Transactions), Article 14 (Last Trading Day of the Current Contract Month), Article 15 (First Trading Day of a New Contract Month), Article 16 (Trading Periods), Article 17 (Price Quotation Unit, Price Increments, Contract Unit, Delivery Unit, Exercise Unit, etc.), Article 86 (Classification of Members) and Article 112 (Guarantee Fund) and the deletion of Chapter 7 Section 3 (Settlement and Final Settlement for Index Futures Transaction), Article 12-2 (Index Underlying Index Futures Transaction), Article 63-2 (Final Settlement Day), and Article 63-3 (Final Settlement Value) shall be effective on the day on which the approval was obtained pursuant to Article 156.1 of the Commodity Derivatives Act (Act No. 239, 1950) (i.e. January 11, 2013).

### Article 2

Revision to the following items shall be effective on the day on which the approval was obtained pursuant to Article 156.1 of the Commodity Derivatives Act (Act No. 239, 1950) for the application (No. 2012TOCOM246) submitted on September 21, 2012.

- (1) Delete Article 9-2.1.7, Article 9-2.2.7, Article 9-2.3, Article 10 "Nikkei-TOCOM index Market : Nikkei-TOCOM index ", Article 10.7, Article 86.1.7 and Article 112.1.7.
- (2) Delete Article 14.3 and move Article 14.4 forward.
- (3) Delete Article 16.3 and move Article 16.4 forward.
- (4) Delete Article 17.3 and move Article 17.4 forward.

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## Supplementary Provisions

### Article 1

Revisions to the provisions of Article 8 (Temporary Opening and Closing of Session) through Article 11 (Standard Grade Materials), Article 14 (Last Trading Day of the Current Contract Month), Article 16 (Trading Periods), Article 17 (Price Quotation Unit, Price Increments, Contract Unit, Delivery Unit, Exercise Unit, etc.), Article 30 (Restriction on Position or Transaction), Article 38 (Notification of Transaction), Article 49 (Delivery Points), Article 50 (Delivery Date and Time), Article 52 (Delivery Payment), Article 54 (Warehouse Receipt and Shipping Request for Commodities to be Delivered) through Article 58 (Customized Delivery), Article 70 (Transfer of Positions), Article 74 (Disposition for Defaulting Delivery Positions), Article 78 (Matters to be Publicly Posted), Article 82 (Emergency Measures), Article 85 (Membership Qualification), Article 86 (Classification of Members), Article 112 (Guarantee Fund), Article 119 (Matters to be Notified), Article 123 (Demand for Submission of Books and Audit), Article 137 (Special Rules for Sanctions), and Article 143 (Associate Member) shall be effective on the later of February 12, 2013 or the day on which the approval was obtained pursuant to Article 156.1 of the Commodity Derivatives Act (Act No. 239, 1950) (i.e. January 18, 2013).

### Article 2

On the date of enforcement of previous Article, Contract Unit and Delivery Unit of the contract month before November 2013 contract in the Raw Sugar Market shall be 10,000kg per 1 lot, notwithstanding the provision of Article 17.1.

## Supplementary Provisions

Revisions to the provisions of Article 31 (Special Transaction) shall become effective on the day on which the approval was obtained pursuant to Article 156.1 of the Commodity Derivatives Act (Act No. 239, 1950) (i.e., September 13, 2013).

## Supplementary Provisions

Revisions to the provisions of Article 32 (EFP Transactions and EFS Transactions) shall become effective on the day on which the approval was obtained pursuant to Article 156.1 of the Commodity Derivatives Act (Act No. 239, 1950) (i.e., December 26, 2013).

## Supplementary Provisions

Newly established Article 105-2 (Special Rules for Settlement of Customer Transactions before Waiver of Broker Membership Qualification) and Article 131-2 (Measures for Members subject to Sanctions by Laws and Regulations), and the revisions to the provisions of Article 35-3 (Settlement of Transaction in Commodity Markets), Article 70 (Transfer of Positions), Article 88 (Disqualifying Conditions), Article 89 (Application for Acquisition of Membership Qualification), Article 95 (Addition or Partial Waiver of Membership Qualification) through Article 101 (Procedure of Waiver of Membership Qualification), Article 104 (Settlement of Proprietary Transactions before Waiver of Membership Qualification) through Article 109 (Request for Remediation of Member's Articles of Incorporation and Other Matters), Article 122 (Separate Accounting and Retention of Books of Broker Members), Article 123 (Demand for Submission of Books and Audit), Article 130 (Sanctions Against Members), Article 132 (Suspension of Transaction), Article 133 (Measures in Case of Default), Article 137 (Special Rules for Sanctions) and Article 138 (Notification and Posting of Sanctions) shall become effective on the day on which the approval was obtained pursuant to Article 156.1 of the Commodity Derivatives Act (Act No. 239, 1950) (i.e., March 19, 2014).

## Supplementary Provisions

Newly established Article 43-2 (Deposit of Clearing Margins for Customer Positions by Non-clearing Participants who are Remote Trade Members), Article 70-2 (Transfer or Orderly Disposition of Positions), Article 105-3 (Special Rules for Settlement of Customer Transactions before Waiver of Remote Broker Membership Qualification) and Article 122-2 (Separate Accounting and Retention of Books of Remote Broker Members), and the revisions to the provisions of Chapter name of Part 2 Chapter 8, Article 6 (Acceptance of Orders), Article 6-2 (Orders through Customer Direct Access), Article 29 (Special Provision for the Default Procedure), Article 30 (Restriction on Position or Transaction), Article 31 (Special Transactions), Article 35-2 (Stop Loss Transactions), Article 39 (Receipt and Payment of Execution Price



Differential, Settlement Price Differential, Strike Price Differential, and Options Premium), Article 43 (Deposit of Clearing Margins for Customer Positions by Non-clearing Participants who are Broker Members), Article 44 (Cutoff Time for Deposit of Clearing Margins Applied to Non-clearing Participants), Article 45 (Maintaining of Clearing Margins by Non-clearing Participants), Article 46 (Notification of Clearing Margin Maintenance Amount, etc. by Non-clearing Participants), Article 58 (Customized Delivery), Article 63 (Settlement Method for Current Contract Month Positions), Article 66 (Allocation of Option Exercise), Article 70 (Transfer of Positions), Article 70-2 (Transfer or Orderly Disposition of Positions), Article 73 (Procedure of Defaulting Non-delivery Positions), Article 74 (Disposition for Defaulting Delivery Positions), Article 77-7 (Objection), Article 84 (Objection), Article 87 (Category of Membership), Article 96 (Change in the Category of Membership Qualification), Article 108 (Member Representative), Article 108-2 (Contact Agent of Remote Trade Member or Remote Broker Member), Article 119 (Matters to be Notified), Article 123 (Demand for Submission of Books and Audit), Article 126 (Duties of Employer), Article 132 (Suspension of Transaction), and Article 139 (Display of Suspension of Commodity Futures Transactions Business, etc.) shall become effective on the day on which the approval was obtained pursuant to Article 156.1 of the Commodity Derivatives Act (Act No. 239, 1950) (i.e., March 31, 2014).

### **Supplementary Provisions**

Revisions to the provisions of Article 5 (Trading Hours), Article 6 (Acceptance of Orders), Article 15 (First Trading Day of a new Contract Month), Article 16 (Trading Periods), Article 19 (Individual Auction), Article 31-5 (Hours for Block Transaction Requests) and Article 31-6 (Contract Months, etc. Eligible for Block Transaction Requests) shall become effective on the later of July 22, 2014 or the day on which the approval was obtained pursuant to Article 156.1 of the Commodity Derivatives Act (Act No. 239, 1950) (i.e., May 23, 2014).

### **Supplementary Provisions**

Revisions to the provisions of Article 3 (Market Detailed Rules, etc.) and Article 47 (Settlement by delivery), and newly establish Article 58-2 (ADP) shall become effective on which the approval was obtained pursuant to Article 156.1 of the Commodity Exchange Act (Act No. 239, 1950) (i.e., August 11, 2014) and the revision to the provisions of Article 71 (Default Procedure) and Article 74 (Disposition for Defaulting Delivery Positions) shall become effective on the later of September 1, 2014 or the day on which the approval was obtained pursuant to Article 156.1 of the Commodity Derivatives Act (Act No. 239, 1950) (i.e., August 11, 2014).

### **Supplementary Provisions**

Newly established Article 31-9 (Posted Settlement Transactions), Article 31-10 (Request Price of Posted Settlement Transactions), Article 31-11 (Hours for Posted Settlement Transactions Requests), Article 31-12 (Contract Months, etc. Eligible for Posted Settlement Transactions Requests), and Article 31-13 (Suspension of Posted Settlement Transactions) and revisions to the provisions of Article 3 (Market Detailed Rules, etc.), Article 6 (Acceptance of Orders), Article 15 (First Trading Day of a New Contract Month), Article 29 (Special Provision for the Default Procedure) and Article 79 (Notification and Public Posting of Total Trading Volume and Other Information) shall become effective on the later of October 6, 2014 or the day on which the approval was obtained pursuant to Article 156.1 of the Commodity Derivatives Act (Act No. 239, 1950) (i.e., September 9, 2014).

### **Supplementary Provisions**

Revisions to the provisions of Article 12 (Underlying of Cash-settled Futures Transactions) shall become effective on the day on which the approval was obtained pursuant to Article 156.1 of the Commodity Derivatives Act (Act No. 239, 1950) (i.e., October 17, 2014) and shall be applied to the Contract Months on and after June 2015.

### **Supplementary Provisions**

Revisions to the provisions of Article 17 (Price Quotation Unit, Price Increments, Contract Unit, Delivery Unit, Exercise Unit, etc.) shall become effective on the day on which the approval was obtained pursuant to Article 156.1 of the Commodity Derivatives Act (Act No. 239, 1950) (i.e., January 8, 2015) and shall be applied to the Contract Months on and after April 2016.



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### **Supplementary Provisions**

Revisions to the provisions of Article 10 (Underlying Products of Transactions) shall become effective on the later of January 30, 2015 or the day on which the approval was obtained pursuant to Article 156.1 of the Commodity Derivatives Act (Act No. 239, 1950) (i.e., January 28, 2015) and shall be applied to the market after the end of Day Session on said effective day.

### **Supplementary Provisions**

Newly established Article 16-2 (Rolling Spot Futures Transactions), Chapter 7 Section 2-2 (Final Settlement for Cash-settled Rolling Spot Futures Transactions) Article 63-2 (Theoretical Spot Price) and Article 63-3 (Settlement Method for Positions in Cash-settled Rolling Spot Futures Transactions), and revisions to the provisions of Article 3 (Market Detailed Rules, etc.), Article 4 (Definition of Transactions), Article 12 (Underlying of Cash-settled Futures Transactions), Article 15 (First Trading Day, etc.), Article 16 (Trading Periods), Article 17 (Price Quotation Unit, Price Increments, Contract Unit, Delivery Unit, Exercise Unit, etc.), Article 19 (Individual Auction), Article 36 (Settlement Price), Article 37 (Execution Price Differential, Settlement Price Differential, and Strike Price Differential), Article 38 (Notification of Transaction), Chapter 7 Section 2 (Final Settlement for Cash-settled Futures Transactions), Article 78 (Matters to be Publicly Posted) and Article 79 (Notification and Public Posting of Total Trading Volume and Other Information) shall become effective on the later of May 7, 2015 or the day on which the approval was obtained pursuant to Article 156.1 of the Commodity Derivatives Act (Act No. 239, 1950) (i.e. March 23, 2015) and shall be applied to the market from Day Session on said effective date.

### **Supplementary Provisions**

Revisions to the provisions of Article 3 (Market Detailed Rules, etc.), Article 31-2 (Block Transactions), Article 31-4 (Request Price of Block Transactions) through Article 31-6 (Contract Months, etc. Eligible for Block Transaction Requests), Article 31-8 (Suspension of Block Transactions), Article 34 (Requesting Price for EFP Transactions, etc.) and Article 79 (Notification and Public Posting of Total Trading Volume and Other Information) and deletions to the provisions of Article 31-3 (Registration in Advance of Block Transaction Qualification), Article 31-7 (Request Quantity of Block Transactions), and Article 31-9 (Posted Settlement Transactions) through Article 31-13 (Suspension of Posted Settlement Transactions) shall become effective on the business day immediately following the day on which the approval was obtained pursuant to Article 156.1 of the Commodity Derivatives Act (Act No. 239, 1950) (i.e., March 31, 2015).

### **Supplementary Provisions**

Revisions to the provisions of Article 89 (Application for Acquisition of Membership Qualification), shall become effective on the business day immediately following the day on which the approval was obtained pursuant to Article 156.1 of the Commodity Derivatives Act (Act No. 239, 1950) (i.e., December 21, 2015).

### **Supplementary Provisions**

Revisions to the provisions of Article 47 (Settlement by Delivery), Article 70-2 (Transfer or Orderly Disposition of Positions) and Article 127 (Appointment of Designated Clearing Participant) shall become effective on the day on which the approval was obtained pursuant to Article 156.1 of the Commodity Derivatives Act (Act No. 239, 1950) (i.e., April 15, 2016).

### **Supplementary Provisions**

#### **Article 1**

Newly established Article 3 (Detailed Rules).18, Article 4 (Definition of Transactions)1.5, Article 13-2 (Underlying of Physical Transactions), Article 17 (Price Quotation Unit, Price Increments, Contract Unit, Delivery Unit, Exercise Unit, etc.)4, Chapter 4-2, Article 38-2 (Notification of Physical Transaction), Article 63-3 (Settlement Method for Positions in Cash-settled Rolling Spot Futures Transactions).2 and 3, Chapter 7 Section 2-3 and Chapter 7 Section 4, and revisions to the provisions of Article 3 (Detailed rules).2, Article 4 (Definition of Transactions), Article 9-2 (Commodity Markets, Listed Products, etc.), name of Chapter 4-2, Article 56 (Early Delivery), Article 57 (Declared Delivery), name of Chapter 7 Section 4, Article 69-2 (Settlement Method), Article 71 (Default Procedure), Article 74 (Disposition for Defaulting Delivery Positions).3.1, Article 77 (Calculation of Losses Arising from Default) and Article 79 (Notification and Public

Posting of Total Trading Volume and Other Information).1.1 shall be effective on the later of July 25, 2016 or the day on which the approval was obtained pursuant to Article 156.1 of the Commodity Derivatives Act (Act No. 239, 1950) (i.e. July 21, 2016) ("Date of Approval").

## **Article 2**

Newly established Article 6-2 (Modification / Cancellation of a Trading Order), Article 13 (Underlying of Options Transactions).2, Article 17 (Price Quotation Unit, Price Increments, Contract Unit, Delivery Unit, Exercise Unit, etc.).5, Article 25 (Transfer at the Time of a Breakdown of Member Terminals).1, Article 32 (EFP Transactions and EFS Transactions).3 through 5, Article 36 (Settlement Price).2 through 4, Article 64-2 (Final Settlement Price of Options Transactions), Article 65 (Notification of Options Exercise).2 and 3, and Article 82-2 (Measures Based on an Order of the Regulating Minister), revisions to the provisions of Article 3 (Detailed Rules).9, Article 4 (Definition of Transactions).1.4, Article 5 (Trading Sections and Hours), Article 6 (Acceptance of Orders).1, Article 6-2 (Modification / Cancellation of a Trading Order), Article 7 (Business Days and Holidays).4 and 5, Article 8 (Temporary Opening and Closing of Section).1, Article 9 (Temporary Halt of Section), Article 12 (Underlying of Cash-settled Futures Transactions).2, Article 13 (Underlying of Options Transactions), Article 14 (Last Trading Day of the Current Contract Month and Expiry of Cash-settled Rolling Spot Futures Transactions), Article 15 (First Trading Day, etc.), Article 16 (Trading Periods).2 and 3, Article 17 (Price Quotation Unit, Price Increments, Contract Unit, Delivery Unit, Exercise Unit, etc.).2 and 3, Article 19 (Individual Auction), Article 20 (Principles of Individual Auction), Article 24 (Customer Type Correction), Article 25 (Transfer at the Time of a Breakdown of Member Terminals).2 and 3, Article 27 (Give-up Application).1, Article 28 (Take-up Application).1 and 3, Article 28-2 (Special Provisions for Give-up Applications and Take-up Applications).1 and 3, Article 28-3 (Cancellation of Give-up).1 and 4, Article 30 (Restriction on Position or Transaction).1, Article 31 (Special Transactions).4, Article 31-2 (Off-floor Transactions).3 through 5, Article 31-3 (Suspension of Off-floor Transactions), Article 32 (EFP Transactions and EFS Transactions).1 and 2, Article 35 (Suspension of EFP Transactions, etc.), Article 36 (Settlement Price), Article 37 (Execution Price Differential, Settlement Price Differential, and Strike Price Differential).3, Article 38 (Notification of Off-set Transaction), Article 39 (Receipt and Payment of Execution Price Differential, Settlement Price Differential, Strike Price Differential, and Options Premium), name of Chapter 7, Article 47 (Settlement by Delivery).3, Article 61 (Final Settlement Day), Article 62 (Final Settlement Price), Article 63 (Settlement Method for Current Contract Month Positions), name of Chapter 7 Section 3, Article 64 (Exercise Day, etc.), Article 65 (Notification of Options Exercise), Article 66 (Allocation of Options Exercise).1 through 4, Article 67 (Expiration of Options Positions upon Options Exercise).1, Article 70 (Transfer of Positions).3 and 4, Article 73 (Procedure of Defaulting Non-delivery Positions).2 and 4, Article 74 (Disposition for Defaulting Delivery Positions).3.2, Article 77 (Calculation of Losses Arising from Default).1.5, Article 79 (Notification and Public Posting of Total Trading Volume and Other Information).2 through 4, Article 80 (Measures to be Taken When Operational Trouble of the Electronic Trading System Occurs).1.5 and Article 82 (Emergency Measures).1, abolishment of Article 3 (Detailed Rules).6, Article 28-2 (Special Provisions for Give-up Applications and Take-up Applications).2 and Article 28-3 (Cancellation of Give-up).3, and deletion of Article 7 (Business Days and Holidays).3, Article 31-2 (Off-floor Transactions).2, Article 31-3, Article 31-4 (Request Price of Off-floor Transactions), Article 31-5 (Hours for Off-floor Transaction Requests), Article 31-6 (Contract Months, etc. Eligible for Off-floor Transaction Requests), Article 31-7, Article 65 (Notification of Options Exercise).4, Article 67 (Expiration of Options Positions upon Options Exercise).2, Article 68 (Execution of Physically Delivered Futures Transactions upon Options Exercise) and Article 69 (Expiration of Positions on the Last Trading Day) shall be effective 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 it is deemed necessary by the Exchange, the effective date of preceding Article will be separately provided by the Exchange.

## **Supplementary Provisions**

### **Article 1**

Revisions to the provisions of Article 6 (Acceptance of Orders), Article 6-2 (Modification / Cancellation of a Trading Order), Article 6-3 (Orders through Customer Direct Access), Article 7 (Business Days and Holidays), Article 8 (Temporary Opening and Closing of Section), Article 9-2

(Commodity markets, Listed Products, etc.), Article 13 (Underlying of Options Transactions), Article 17 (Price Quotation Unit, Price Increments, Contract Unit, Delivery Unit, Exercise Unit, etc.), Article 18 (Method of Trade Execution), Article 22 (Distribution of Bids and Offers), Article 23 (Confirmation of Transaction), Article 24 (Customer Type Correction), Article 25 (Transfer at the Time of a Breakdown of Member Terminals), Article 26 (Give-up), Article 27 (Give-up Application), Article 28 (Take-up Application), Article 28-2 (Special Provisions for Give-up Applications and Take-up Applications), Article 28-3 (Cancellation of Give-up), Article 29 (Special Provision for the Default Procedure), Article 30 (Restriction on Position or Transaction), Article 31 (Special Transactions), Article 31-2 (Off-floor Transactions), Article 32 (EFP Transactions and EFS Transactions), Article 35-2-3 (Trading Hours of Physical Transactions), Article 35-2-4 (Conclusion of Physical Transactions), Article 35-2-5 (Negotiated Transactions), Article 35-3 (Settlement of Transaction in Commodity Markets), Article 38 (Notification of Off-set Transaction), Article 38-2 (Notification of Physical Transaction), Article 48 (Good Delivery Materials), Article 54 (Warehouse Receipt and Shipping Request for Commodities to be Delivered), Article 56 (Early Delivery), Article 57 (Declared Delivery), Article 58 (Customized Delivery), Article 58-2 (ADP), Article 63-3 (Settlement Method for Positions in Cash-settled Rolling Spot Futures Transactions), Article 63-3-5 (Payment Amount for Delivery on Request), Article 63-3-7 (Coordination for Delivery on Request), Article 64 (Exercise Day, etc.), Article 65 (Notification of Options Exercise), Article 66 (Allocation of Options Exercise), Article 68 (Subject), Article 68-3 (Delivery Price for Physical Transactions), Article 68-6 (Coordination for Physical Transactions), Article 70 (Transfer of Positions), Article 70-2 (Transfer or Orderly Disposition of Positions), Article 71 (Default Procedure), Article 73 (Procedure of Defaulting Non-delivery Positions), Article 74 (Disposition for Defaulting Delivery Positions), Article 77 (Calculation of Losses Arising from Default), Article 77-2 (Special Provisions for the Transfer of Positions and Order Processing in the Discontinued Commodity Market and the Newly Established Commodity Market), Article 78 (Matters to be publicly Posted), Article 79 (Notification and Public Posting of Total Trading Volume and Other Information), Article 80 (Measures to be Taken When Operational Trouble of the Electronic Trading System Occurs), Article 80-2 (Measures to be Taken When a Trade is Executed As a Result of an Erroneous Order, etc.), Article 81 (Notification of Trade Cancellation), Article 82 (Emergency Measures), Article 85 (membership Qualification), Article 87 (Category of Membership), Article 88 (Disqualifying Conditions), Article 94 (Condition to Trade), Article 95 (Addition or Partial Waiver of Membership), Article 96 (Change in the Category of membership), Article 100 (Transactions, etc. in Case of Merger of the Applicant for Waiver of Membership), Article 101 (Procedure of Waiver of Membership), Article 104 (Settlement of Proprietary Position After Waiver of the Membership), Article 105 (Settlement of Customer Position After Waiver of Broker Membership), Article 105-2 (Special Rules for Settlement of Customer Position After Waiver of Broker Membership), Article 105-3 (Special Rules for Settlement of Customer Position after Waiver of Remote Broker Membership), Article 106 (Succession to the Status of a Member), Article 108 (member Representative), Article 119 (Matters to be Notified), Article 124 (Input of Orders Through System Trading), Article 125 (Prohibition of False Report on Transaction), Article 132 (Suspension of Transaction), Article 133 (Measures in Case of Default) and Article 143 (Associate Member) shall be effective on the later of October 31, 2016 or the day on which the approval was obtained pursuant to Article 156.1 of the Commodity Derivatives Act (Act No. 239, 1950) (i.e. October 31, 2016).

## **Article 2**

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

## **Supplementary Provisions**

Newly established Article 63-3-6 (Payment Unit for Delivery on Request) and the revisions to the provisions of Article 3 (Detailed Rules), Article 12 (Underlying of Cash-settled Futures Transactions), Article 17 (Price quotation Unit, Price Increments, Contract Unit, Delivery Unit, Exercise Unit, etc.), Article 36 (Settlement Price), Article 63-2 (Theoretical Spot Price), Article 63-3-4 (Delivery Price for Delivery on Request), Article 63-3-6 (Delivery Procedure for Delivery on Request), Article 63-3-7 (Coordination for Delivery on Request), Article 78 (Matters to be Publicly Posted), Article 105-2 (Special Rules for Settlement of Customer Position After Waiver of

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Broker Membership) and Article 105-3 (Special Rules for Settlement of Customer Position after Waiver of Remote Broker Membership) shall become effective on the later of March 21, 2017 or the day on which the approval was obtained pursuant to Article 156.1 of the Commodity Derivatives Act (Act No. 239, 1950) (i.e., February 1, 2017).

### **Supplementary Provisions**

Newly established Article 31-3-2 (EFF Transactions), Article 31-3-3 (Suspension of EFF Transactions), Article 62-3 (Delivery on Request for Cash-settled Monthly Futures Transactions), Chapter 7.2-2 "Delivery on Request for Cash-settled Monthly Futures Transactions", Article 62-4 (Subject), Article 62-5 (Products Eligible for Delivery on Request) and Article 63 (Delivery Unit for Delivery on Request for Cash-settled Monthly Futures Transactions), and the revisions to the provisions of Article 3 (Detailed Rules), Article 12 (Underlying of Cash-settled Futures Transactions), Article 14 (Last Trading Day of the Current Contract Month and Expiry of Cash-settled Rolling Spot Futures Transactions), Article 15 (First Trading Day, etc.), Article 16 (Trading Periods), Article 17 (Price quotation Unit, Price Increments, Contract Unit, Delivery Unit, Exercise Unit, etc.), Article 36 (Settlement Price), Article 61 (Final Settlement Day), Article 62 (Final Settlement Price), Article 63 (Settlement Method for Current Contract Month Positions), Session 7.2-2, Article 63-3 (Settlement Method for Positions in Cash-settled Rolling Spot futures Transactions), Article 63-3-2 (Subject), Article 63-3-3 (Delivery Date and Time for Delivery on Request), Article 63-3-4 (Delivery Price for Delivery on Request), Article 63-3-5 (Payment Amount for Delivery on Request), Article 63-3-6 (Delivery Unit for Delivery on Request), Article 63-3-7 (Delivery Procedure for Delivery on Request), Article 63-3-8 (Coordination for Delivery on Request), Chapter 7.2-3, Article 77 (Calculation of Losses Arising from Default), Article 78 (Matters to be Publicly Posted), Article 79 (Notification and Public Posting of Total Trading Volume and Other Information), Article 119 (Matters to be Notified) and Article 120 (Reporting of Financial Results) shall become effective on the later of May 8, 2017 or the day on which the approval was obtained pursuant to Article 156.1 of the Commodity Derivatives Act (Act No. 239, 1950) (i.e., April 28, 2017).

### **Supplementary Provisions**

Revisions to the provisions of Article 54 (Warehouse Receipt and Shipping Request for Commodities to be Delivered), Article 57 (Declared Delivery) and Article 58 (Customized Delivery) shall become effective on the later of January 1, 2018 or the day on which the approval was obtained pursuant to Article 156.1 of the Commodity Derivatives Act (Act No. 239, 1950) (i.e. December 27, 2017).