

Rubber Declared Delivery Procedure

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Article 1 (Purpose)

1. This Procedure shall prescribe matters necessary for the handling of Declared Delivery (“Declared Delivery”) prescribed in Article 25 of the Rubber Delivery Detailed Rules (“Detailed Rules”).

Article 2 (Definitions)

1. Declared Delivery means delivery carried out in a manner in which the Members (meaning Members provided for in Article 6.1 of the Market Rules; the same shall apply hereinafter), holding a position in the current contract month, conclude a written agreement, and the like, prescribing the terms of delivery, to be made under an agreement between the delivery parties prior to the last trading day of the current contract month, and make an application for such delivery to the Exchange.

Article 3 (Eligible Persons)

1. Eligibility to make an application for Declared Delivery shall be limited to those who fall under either of the following items:
 - (1) Members;
 - (2) Commercials; or
 - (3) The one deemed appropriate by the Exchange.

Article 4 (Notice of Intention to Make Declared Delivery)

1. In cases where a Member holding a position in the first contract month seeks a counterparty to a Declared Delivery, the Member may notify the Exchange of its intention to make a Declared Delivery by submitting a document, prescribed by the Exchange, describing the delivery goods, delivery amount, delivery day, delivery point, effective period for the notice, and other terms and conditions of the delivery, within the period from the business day immediately following the last trading day of the previous contract month to 2:30 p.m. of the business day immediately preceding the last day of the application period, as prescribed in Article 25.1 of the Detailed Rules.
2. Upon receipt of the notice prescribed in the preceding paragraph, the Exchange shall, without delay, notify Member of the contents of the document submitted, pursuant to the provisions of the preceding paragraph.
3. If the Member who has made such notice intends to change any of the matters described in the document prescribed in Paragraph 1 (excluding the effective period for the notice and the proposed delivery amount), the Member shall submit a revised document to the Exchange. In this case, the Exchange shall notify the Member of the revisions without delay.

Article 5 (Application Method and Approval, etc.)

1. The application method, approval, etc. for Declared Delivery shall be as follows:
 - (1) Members making an application for Declared Delivery shall submit the following documents to the Exchange by 2:30 p.m. of each business day falling within the application period prescribed in Article 25.1 of the Detailed Rules; provided, however, that the application shall be made by 2:30 p.m., two (2) business days prior to the delivery day;
 - (2) If the Exchange determines that the Declared Delivery proposed in an application submitted pursuant to the preceding item would not be detrimental to market management, the Exchange shall approve the request, and upon such approval, the application shall be finalized and take effect;
 - (3) The positions for which Declared Delivery has taken effect shall be excluded from the

- unrealized profit and loss calculation starting from the following Clearing Period;
- (4) The Exchange shall, without delay, notify Members of applications that have taken effect, and of the Delivery Payment and the amount of consumption tax applicable thereto (including local consumption tax; the same shall apply hereinafter) (the sum of the delivery payment and the amount of consumption tax applicable thereto shall be hereinafter referred to as "Delivery Payment"); and
 - (5) If Members who have made such an application intend to change any of the matters described in the application form prescribed in Item 1 (excluding the proposed delivery amount), the Members shall submit a revised application form and other required documents to the Exchange by 3:30 p.m. on the delivery day. In this case, the Exchange shall notify said Member of the Delivery Payment again without delay.

Article 6 (Cancellation and Change of Application, etc.)

1. Members who have made a notice of intention to make Declared Delivery may not change the effective period of the notice or proposed delivery amount, nor cancel the notice, nor execute an offset transaction for the proposed delivery amount. However, this provision shall not apply in cases where no application for Declared Delivery has been made by the expiration of the effective period for the notice.
2. Members who have made an application for Declared Delivery may not change the proposed delivery amount, nor cancel the application, nor execute an offset transaction for the proposed delivery amount. However, this provision shall not apply in cases where the Exchange has refused to approve an application, pursuant to the provisions of Article 5.1.2.

Article 7 (Good Delivery Material)

1. Notwithstanding the provision prescribed in Article 2 and Article 3 of Detailed Rules, the Good Delivery Material shall be the raw rubber that the customs formalities for import have been completed and agreed upon by the delivery parties:

Article 8 (Delivery Points)

1. The delivery points shall be located in Japan and are agreed upon by the delivery parties.

Article 9 (Weight of Delivery Goods)

1. The weight of the delivery goods shall be based on the numerical value stated in the application form prescribed in Article 5.1.1.

Article 10 (Relationship Between the Weight of Delivery Goods and the Number of Delivery Lots)

1. The number of delivery lots shall be converted from the weight of the delivery goods, to delivery units, as prescribed in Article 17 of the Market Rules. However, when converting the weight of the delivery goods into delivery units, any resulting fraction exceeding 50% of the minimum delivery unit may be deemed to be the minimum delivery unit for the purpose of settlement of the positions.

Article 11 (Delivery Date and time)

1. The delivery day shall be agreed upon between the delivery parties within the period from the first business day of the current contract month to the last business day of the current contract month.
2. The delivery time on the delivery day, as prescribed in the preceding paragraph, shall be by

noon on the relevant business day.

Article 12 (Delivery Price)

1. The delivery price shall be equal to the settlement price of the first contract month on the day on which the Declared Delivery takes effect.

Article 13 (Delivery Method)

1. The delivery method shall be as follows:
 - (1) The seller shall deliver to the Exchange the documents, etc. that assure the delivery, by noon on the business day immediately preceding the delivery day, and will receive the Delivery Payment at the time of delivery ; and
 - (2) The buyer shall, by noon on the delivery day, deliver the Delivery Payment to the Exchange, and will receive the documents prescribed in the preceding item in exchange therefore from the Exchange.

Article 14 (Claim of Deficiency)

1. The buyer may not submit a claim for deficiency with respect to the delivery goods delivered to the buyer by way of Declared Delivery.

Article 15 (Recording on the Statutory Book)

1. Members who have carried out Declared Delivery shall record the delivery in the statutory book in a manner that clearly indicates that the delivery was made by way of Declared Delivery.

Article 16 (Others)

1. Matters not prescribed in this Procedure shall be determined by mutual agreement between the delivery parties.

Article 17 (Application Mutatis Mutandis of the Rubber Delivery Detailed Rules)

1. The provisions of Article 7 of the Detailed Rules shall apply *mutatis mutandis* to Declared Delivery.

Article 18 (Revision or Abolition)

1. Revision or Abolition to this Procedure shall be approved by the President & CEO.

Supplementary Provisions

This Procedure shall be in effect as of January 1, 2018.