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Furthermore, if there are any differences between the Japanese and English versions of the Articles of Incorporation, the Japanese version shall prevail.

In addition, any disputes that arise in relation to words and phrases in the rules and provisions, as well as the meaning of the provisions and clauses, shall be resolved in accordance with the Japanese version, regardless of whether such disputes take place inside or outside of a court.

# **Brokerage Contract Rules**

**Osaka Dojima Exchange, Inc.**

## Brokerage Contract Rules / Contents

<b>Chapter 1 General Provisions</b> .....	1
<b>Chapter 2 Brokerage of Transactions</b> .....	6
<b>Chapter 3 Margins</b> .....	10
<b>Chapter 4 Settlement by Offset or Delivery, etc.</b> .....	14
<b>Chapter 5 Notification for Customers, etc.</b> .....	17
<b>Chapter 6 Restrictions on Transactions, etc.</b> .....	20
<b>Chapter 7 Miscellaneous Provisions</b> .....	25
<b>Chapter 8 Special Provisions for Commodity Markets</b> .....	30
<b>Chapter 9 Special Provisions for Give-ups</b> .....	40
<b>Chapter 10 Special Provisions for EFP Transactions</b> .....	44
<b>Chapter 11 Special Provisions for Off-floor Transactions</b> .....	45
<b>Chapter 12 Special Provisions for Transactions Through the Direct Market Access Method</b> .....	45
<b>Chapter 13 Special Provisions for Conclusion of Commodity Transaction Agreement Following Specified Solicitation</b> .....	46
<b>Chapter 14 Special Provisions for Limited Loss Transactions</b> .....	47
<b>Chapter 15 Special Provisions for the Integrated Management of Margin for Commodity Futures Transactions and Financial Derivatives Transactions, etc.</b> .....	48
<b>Supplementary Provisions</b> .....	49

## Chapter 1 General Provisions

(Conformity and Compliance with Brokerage Contract Rules)

Article 1. Agreements on the acceptance of the entrustment (“entrustment”) of transactions on the commodity markets (referring to transactions on Commodity Markets, as provided for in Article 2, paragraph 10 of the Commodity Derivatives Transaction Act (Act No. 239 of 1950; hereinafter, referred to as the “Act”); hereinafter, the same applies) of Osaka Dojima Exchange, Inc. (the “Exchange”), and the acceptance of the brokerage of the entrustment of transactions on the Commodity Markets shall be in accordance with the procedures set forth in these Brokerage Contract Rules (the “Rules”).

2. Customers, Trading Participants of the Exchange who accept the entrustment of transactions on the Commodity Markets pursuant to Article 190, paragraph 1 of the Act under the license granted by the competent minister (hereinafter, such participants shall be referred to as “Broker Participants”), or those who accept the brokerage of the entrustment of transactions on the Commodity Markets pursuant to Article 190, paragraph 1 of the Act under the license granted by the competent minister (“Intermediaries”), shall comply with these Rules and handle the entrustment of transactions on the Commodity Markets in accordance therewith.
3. Intermediaries and those who to whom the brokerage of the entrustment of transactions on the Commodity Markets to the Intermediaries is entrusted (“Customer of Intermediaries”), shall comply with these Rules in accordance with the relationship between the Broker Participant and the Customer, and handle the brokerage of the entrustment of transactions on Commodity Markets in accordance therewith.
4. Clearing of obligations arising from transactions on the Commodity Markets of the Exchange shall be processed between Japan Securities Clearing Corporation (“JSCC”), a Commodity Transaction Clearing Organization licensed by the competent minister, pursuant to Article 167 of the Act, to engage in commodity transaction obligation assumption services, and a Clearing Participant qualified, pursuant to Article 174, paragraph 1 of the Act, to be the counterparty in commodity transaction obligation assumption services undertaken by JSCC. Furthermore, with respect to the clearing of obligations arising from transactions on the Commodity Markets of the Exchange undertaken by a Broker Participant who is a Non-Clearing Participant, the relevant clearing transaction shall be executed and processed between JSCC and a Clearing Participant designated as the entity to whom Commodity Clearing Transactions are entrusted by the relevant Broker Participant.

(Definitions)

Article 2. In these Rules, the meaning of the terms set forth in each of the following items shall be as set forth in each of the respective items.

- (1) “Execution Price” refers to the execution price as per the quotation at which a transaction is executed in the case of transactions provided for in Article 2, paragraph 3, item (1) of the Act (“Physically Delivered Futures Transactions”) or transactions provided for in item (2) of the same paragraph (“Cash-settled Rolling Spot Futures Transactions”).
- (2) “Contract Size Multiplier” refers to the numerical value obtained by dividing the quantity per

contract size by the quotation unit.

- (3) "Total Trading Value" refers to the amount obtained by multiplying the "Execution Price," by the "Contract Size Multiplier" and the execution quantity.
- (4) "Mark-to-Market Profit or Loss Amount" refers to the aggregate amount of profits and losses that are calculated by multiplying the difference between the "Execution Price," of an individual unsettled transaction and the final execution price. (referring to the settlement price as set forth in the Business Rules (referring to the Business Rules related to commodity transaction obligation assumption services, as set forth by JSCC; hereinafter, the same applies); hereinafter, the same applies) on the calculation day by the "Contract Size Multiplier" and the execution quantity, less any payouts or reclassifications pursuant to the provisions of Article 11-2.
- (5) "Profit or Loss resulting from Liquidation" refers to the amount of profit or loss arising from the completion of the settlement of an individual transaction by resale or repurchase for which payment has not been received between a Broker Participant and Customer.
- (6) "Deposited Margin" refers to the sum of the cash and Appropriation Securities, etc., as provided for in Article 9, Paragraph 1, that are delivered or deposited by a customer with a Broker Participant as the Clearing Margin for transactions on Commodity Markets.
- (7) "Total Margin Amount Received" refers to the amount obtained by adding or subtracting the "Cash Amount to be received or paid by a customer" to or from the "Deposited Margin."
- (8) "Cash Amount to be received or paid by a customer" refers to the amount obtained by deducting entrustment fees (including any consumption taxes (including local consumption taxes; hereinafter, the same applies) pertaining to entrustment fees; provided, however, that any amounts of less than one (1) shall be rounded down; hereinafter, referred to as "Entrustment Fee") and other amounts that the Customer must borne and that are deemed necessary by the Broker Participant from the total amount of "Mark-to-Market Profit or Loss Amount" and "Profit or Loss resulting from Liquidation."
- (9) "Cash Amount to be paid by a customer" refers to the "Cash Amount to be received or paid by a customer" when it is a negative amount.
- (10) "Amount Required for Margin" refers to a customer, etc.'s Amount Required for Margin as provided for in the Margin Rules (referring to the rules related to clearing margin, etc., pertaining to commodity transaction obligation assumption services, as set forth by JSCC; hereinafter the same applies).
- (11) "Trading margin for customers" refers to an amount not less than the "Amount Required for Margin" as determined by a Broker Participant.
- (12) "Total Deficiency Amount" refers to the difference between the "Total Margin Amount Received" and the "Trading margin for customers" when the former falls short of the latter.
- (13) "Cash Deficiency Amount" refers to the difference between the amount of the cash portion of "Deposited Margin" and the "Cash Amount to be paid by a customer" when the former falls short of the latter.
- (14) "Excess Amount of Deposited Margin" refers to the amount calculated by deducting the sum of the "Trading margin for customers" and "Mark-to-Market Profit or Loss Amount" (limited to cases where it is a profit) from the "Total Margin Amount Received," provided that

the calculated amount is positive.

(15) "Clearing Margin" refers to any of the following.

- a. Cash and Appropriation Securities, etc., as provided for in Article 9, Paragraph 1 (hereinafter, referred to as "Cash and Equivalents" in this item through item (18)) that are deposited by a customer with JSCC for management with respect to transactions on Commodity Markets through a Broker Participant (limited to those who are Clearing Participants; the same applies in item b.) acting as his or her agent;
- b. Cash and Equivalents, deposited by a Customer of Intermediary with JSCC through the Intermediary and a Broker Participant who are acting as agents of the Customer of Intermediary, for management with respect to transactions in the commodity markets;
- c. Cash and Equivalents, deposited by a Customer of Non-Clearing Participant with JSCC through a Broker Participant who is a Non-Clearing Participant ("Non-Clearing Participant Broker Participant") and the Designated Clearing Participant of the relevant Non-Clearing Participant Broker Participant (referring to the Designated Clearing Participant as provided for in Item (26); hereinafter, the same applies through Item (18)) who are acting as agents of the Customer of Non-Clearing Participant, for management with respect to transactions on Commodity Markets;
- d. Cash and Equivalents, deposited by a Customer of Clearing Intermediary with JSCC through the Clearing Intermediary, the Non-Clearing Participant Broker Participant, and the Designated Clearing Participant, who are acting as agents of the Customer of Clearing Intermediary, for management with respect to transactions in the commodity markets.

(16) "Customer Margin" refers to any of the following.

- a. Cash and Equivalents, deposited as a Clearing Margin for management with respect to transactions on Commodity Markets, by a Broker Participant (limited to those who are Clearing Participants; the same shall apply in Items b and c) with JSCC upon the Customer's consent, which is not less than the amount deposited by the Customer with the Broker Participant;
- b. Cash and Equivalents, deposited as a Clearing Margin for its management with respect to transactions in the commodity markets by a Broker Participant with JSCC upon the consent of a Customer of Intermediary, which is not less than the amount deposited by a Customer of Intermediary with the Broker Participant through the Intermediary who is acting as an agent of the customer;
- c. Cash and Equivalents, deposited as a Clearing Margin for its management with respect to transactions in the commodity markets, by a Broker Participant with JSCC, which is not less than the amount deposited by an Intermediary with the Broker Participant upon the consent of the Customer of Intermediary, that is in turn, not less than the amount deposited by a Customer of Intermediary with the Intermediary as Intermediation Margin;
- d. Cash and Equivalents deposited as a Clearing Margin for its management with respect to transactions in the commodity markets by a Non-Clearing Participant Broker Participant through the Designated Clearing Participant who acts as an agent of the Non-Clearing Participant Broker Participant, with JSCC upon the consent of the Customer of a Non-Clearing Participant, which is not less than the amount deposited by the Customer of the

- Non-Clearing Participant with the Non-Clearing Participant Broker Participant;
- e. Cash and Equivalents deposited as a Clearing Margin for its management with respect to transactions in the commodity markets by a Non-Clearing Participant Broker Participant through the Designated Clearing Participant who acts as an agent of the Non-Clearing Participant Broker Participant, with JSCC upon the consent of a Customer of Clearing Intermediary, which is not less than the amount deposited by the Customer of Clearing Intermediary with a Non-Clearing Participant Broker Participant through a Clearing Intermediary; or
  - f. Cash and Equivalents deposited as a Clearing Margin for its management with respect to transactions in the commodity markets upon consents of a Customer of Clearing Intermediary by a Non-Clearing Participant Broker Participant through the Designated Clearing Participant who acts as an agent of the Non-Clearing Participant Broker Participant with JSCC, which is not less than the amount deposited by the Clearing Intermediary, that is in turn not less than the amount deposited by the Customer of Clearing Intermediary with the Clearing Intermediary as an Intermediation Margin.
- (17) "Intermediation Margin" refers to any of the following.
- a. Cash and Equivalents, deposited with JSCC as a Clearing Margin for management with respect to transactions on Commodity Markets, by the Intermediary, which is not less than the amount deposited by a Customer of Intermediaries with the Intermediary, with the consent of the Intermediary, through the Broker Participant that is the agent of the Intermediaries (limited to those who are Clearing Participants; hereinafter, the same applies in this item); or
  - b. Cash and Equivalents deposited as a Clearing Margin for its management with respect to transactions in the commodity markets by the Broker Participant with JSCC upon the Intermediary's consent, which is not less than the amount deposited by the Intermediary with Broker Participant as a Customer Margin that is in turn not less than the amount deposited by the Customer of Intermediary with the Intermediary.
- (18) "Clearing Brokerage Margin" refers to any of the following.
- a. Cash and Equivalents deposited as a Clearing Margin for its management with respect to transactions in the commodity markets by a Clearing Intermediary through a Non-Clearing Participant Broker Participant and the Designated Clearing Participant, who acts as an agent of the Clearing Intermediary, with JSCC upon the consent of the Customer of Clearing Intermediary, which is not less than the amount deposited by the Customer of the Clearing Intermediary with the Clearing Intermediary; or
  - b. Cash and Equivalents deposited as a Clearing Margin for its management with respect to transactions in the commodity markets by a Non-Clearing Participant Broker Participant through a Designated Clearing Participant who acts as an agent of the relevant Non-Clearing Participant Broker Participant, with JSCC upon the consent of the Customer of Clearing Intermediary, which is not less than the amount deposited as the Customer Margin by the Clearing Intermediary, that is in turn not less than the amount deposited by the Customer of Clearing Intermediary with the Clearing Intermediary.
- (19) "Tentative Entrustment Fee" refers to the total amount of Entrustment Fee that is calculated

assuming that all entrusted transactions for which settlement has not been completed are settled on the day that they are executed (referring to a day specified for JSCC for each clearing period), as set forth by the Broker Participant.

- (20) "Tentative Mark-to-Market Net Profit or Loss" refers to the amount calculated by subtracting the "Tentative Entrustment Fee" from the "Mark-to-Market Profit or Loss Amount."
- (21) "Clearing Intermediaries" refers to a person who has accepted the brokerage of the entrustment of the brokerage of entrustment of a Commodity Clearing Transaction.
- (22) "Customer of Non-Clearing Participant" refers to a person who entrusts the brokerage of the entrustment of a Commodity Clearing Transaction (excluding Clearing Intermediaries).
- (23) "Customer of Clearing Intermediaries" refers to a person who entrusts the brokerage of the entrustment of the brokerage of the entrustment of a Commodity Clearing Transaction.
- (24) "Clearing Participant" means a person qualified to be the counterparty in commodity transaction obligation assumption services undertaken by JSCC as set forth in the Business Rules, pursuant to Article 174, paragraph 1 of the Act.
- (25) "Non-Clearing Participant" refers to a person not qualified to be the counterparty in commodity transaction obligation assumption services undertaken by JSCC as set forth in the Business Rules of JSCC.
- (26) "Designated Clearing Participant" refers to a person with whom a Non-Clearing Participant has entered into a Clearing Agreement as the person to whom the Non-Clearing Participant always entrusts Commodity Clearing Transactions, from among General Clearing Participants with clearing qualifications pertaining to the Commodity Markets on which the Non-Clearing Participant performs transactions.

(Delivery of Documents before Conclusion of Commodity Transaction Agreement)

Article 3. A customer Trading Participant accepting the entrustment of transactions from a new Customer must deliver to the Customer the relevant documents provided for in Article 217, paragraph 1 of the Act ("Pre-agreement Documents") and a copy of these Rules prior to the conclusion of an agreement with the Customer; provided, however, that this shall not apply in the case of exclusion from application as provided for in Article 220-4 of the Act.

2. When delivering the Pre-agreement Documents, pursuant to the provisions of the preceding paragraph, a Broker Participant must provide an explanation of the matters therein, except in the cases where such explanation is not required under the provisions of Article 218, paragraph 3 of the Act or Article 108 of the Ordinance for Enforcement of the Commodity Derivatives Transaction Act (Ordinance of the Ministry of Agriculture, Forestry and Fisheries and the Ministry of Economy, Trade and Industry No. 3 of 2005; hereinafter, referred to as the "Ordinance").

3. When accepting the entrustment of transactions from a customer in the form of electronic transactions (referring to transactions in which the Trading Participant accepts the entrustment of transactions as instructed by the Customer, using an electronic information processing system consisting of a computer used by the Broker Participant that is connected with an input-output unit used by the Customer through telecommunication lines; hereinafter, the same applies), the Broker Participant shall deliver to the Customer, in advance, documents stating



matters concerning the use of electronic transactions, disclaimers, etc., and the Customer shall conduct transactions in accordance with the content of these documents.

4. If a Broker Participant has established restrictions concerning the time the entrustment of transactions will be accepted, etc., the Broker Participant shall deliver to the customer a document containing the details thereof.
5. A Broker Participant may, in lieu of the delivery of the documents and a copy of these Rules as provided for in Paragraph 1, Paragraph 3, and the preceding paragraph, provide the matters that are required to be contained in the said documents and these Rules to the Customer through electromagnetic means (referring to a method using an electronic information processing system or other information communications technology, as provided for in Article 90-3 of the Ordinance; hereinafter, the same applies in this article), provided that the consent of the Customer has been obtained in writing or via electromagnetic means, by presenting to the customer the types and details (referring to the types and details provided for in each item of Article 90-4 of the Ordinance) of the electromagnetic means to be used. In such cases, the Broker Participant shall be deemed to have delivered the relevant documents and a copy of these Rules to the Customer.
6. In the event that a customer issues a notification in writing or via electromagnetic means to the effect that the Customer will not accept the relevant communication via electromagnetic means, the Broker Participant who previously obtained the consent of the customer as provided for in the preceding paragraph must not provide the matters that are required to be contained in the document and these Rules to the customer via electromagnetic means. However, this rule shall not apply if the customer grants his or her consent again pursuant to the provisions of the preceding paragraph at a later date.

(Conclusion of Commodity Transaction Agreement)

Article 4. When newly entrusting transactions to a Broker Participant, a Customer shall submit to the Broker Participant a document to the effect that the Customer is fully aware of the risks associated with Futures Transactions and agrees to conduct transactions in accordance with these Rules.

2. A Broker Participant must not accept the entrustment of transactions from a customer, unless he or she has received the document provided for in the preceding paragraph from the Customer.
3. A customer may perform the submission of the documents provided for in Paragraph 1 by viewing the matters to be consented to by the Customer on one or more files maintained in a computer used by the Broker Participant through telecommunication lines, and recording the matters to be consented to by the Customer on one or more files maintained in a computer used by the Broker Participant.

## **Chapter 2 Brokerage of Transactions**

(Advance Notice by Customers and Others)

Article 5. When newly entrusting transactions, a customer shall notify the Broker Participant in

advance by document of the matters set forth in the following.

- (1) Name or Trade Name (including corporate name; hereinafter, the same applies);
  - (2) Home or office address;
  - (3) Contact address, if separately designated;
  - (4) In cases where a customer enters into a Commodity Investment Advisory Contract as provided for in Article 2, paragraph 2 of the Act on Regulation of Commodity Investment (Act No. 66 of 1991; hereinafter, referred to as the "Commodity Fund Act") or similar contract with a commodities investment advisor as provided for in Article 2, paragraph 4 of the Commodity Fund Act or similar foreign person, documents certifying, the name or Trade Name, home or office address, scope of the right of representation of such person and any relevant licenses, etc.;
  - (5) In cases where a customer who is a non-resident (referring to a non-resident as provided for in Article 6, paragraph 1, item (6) of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949); hereinafter, the same applies) (excluding persons set forth in Paragraph 3) has requested a person who has been granted a license in a foreign country (including registration or other administrative actions similar to such licenses) in relation to the acceptance of the entrustment of transactions in Foreign Commodity Markets in the foreign country under the provisions of the laws and regulations of the foreign country, which is equivalent to the license provided for in Article 190, paragraph 1 of the Act in the foreign country, or a foreign person who is equivalent thereto (hereinafter, collectively referred to as a "Foreign Commodity Derivatives Business Operator") to accept the intermediation of the entrustment of transactions, documents certifying the name or Trade Name, home or office address of such person, and documents certifying the existence of any relevant licenses;
  - (6) In cases where a customer specially appoints an agent other than those set forth in Item (4), the name or Trade Name, home or office address, and scope of the right of representation of the agent.
2. A Financial Instruments Business Operator as provided for in Article 2, paragraph 9 of the Financial Instruments and Exchange Act (Act No. 25 of 1948) or a similar person (hereinafter, referred to collectively as "Financial Instruments Business Operators, etc.") newly entrusting the following transactions to a Broker Participant to be managed as commodity investments as provided for in Article 2, paragraph 1 of the Commodity Fund Act ("Commodity Investment") shall submit to the Broker Participant, in advance, documents certifying the existence of any relevant registrations, etc., and a document providing notification of the name and home or office address of the fund pertaining to the entrustment.
- (1) Transactions related to funds managed or administered by a Financial Instruments Business Operator, etc., under a Commodity Investment Contract, as provided for in Article 2, paragraph 5 of the Commodity Fund Act;
  - (2) Transactions related to funds managed or administered by a Financial Instruments Business Operator, etc., under a trust agreement concluded for the purpose of managing all or part of the trust property in the form of Commodity Investment or a similar contract.
3. When a Foreign Commodity Derivatives Business Operator receives a request for the brokerage of the entrustment of transactions from a non-resident and subsequently newly

entrusts the transactions under the name of the Foreign Commodity Derivatives Business Operator, pursuant to the request, the Foreign Commodity Derivatives Business Operator shall submit to a Broker Participant in advance a document providing notification of the name or Trade Name and home or office address of the Foreign Commodity Futures Intermediaries and documents to the effect that any relevant licenses, etc., have been received.

4. When an Intermediary newly conducts the Entrustment of transactions under its own name, the Intermediary shall submit to the Broker Participant, in advance, a document to the effect that a license has been received for the Commodity Futures Business, pursuant to Article 190, paragraph 1 of the Act.
5. Any changes in the matters to be notified under each of the preceding paragraphs shall be notified to the Broker Participant, in writing, without delay.
6. A Broker Participant may, in lieu of accepting documents as provided for in each of the preceding paragraphs, obtain the consent of a customer in writing or via electromagnetic means (referring to a method using an electronic information processing system or other information communications technology as provided for in Article 41, paragraph 3 of the Ordinance; hereinafter, the same applies in this article) by presenting to the customer the types and details (referring to the types and details provided for in each item of Article 41, paragraph 6 of the Ordinance) of the electromagnetic means to be used. In such cases, the Broker Participant shall be deemed to have received the notification in writing from the Customer.
7. In the event that a customer issues a notification, in writing or through an electromagnetic device, that the customer will not submit the said documents through the electromagnetic device, the Broker Participant who had previously obtained the consent of the customer pursuant to the provisions of the preceding paragraph, shall not accept the said documents from the customer through the electromagnetic device. However, this rule shall not apply if the customer grants his or her consent again pursuant to the provisions of the preceding paragraph at a later date.

(Instructions for Entrustment of Transactions)

Article 6. Each time a customer entrusts transactions, he or she shall provide instructions concerning the matters set forth in the following to a Broker Participant.

- (1) Type of Trade (referring to the Type of Trade provided for in Article 4, Paragraph 1 of the Market Rules; hereinafter, the same applies);
- (2) Type of Listed Commodity Component Product;
- (3) Contract month;
- (4) Categorization into buy or sell;
- (5) Categorization into new or existing;
- (6) Quantity;
- (7) Conditions to Execute, if any terms are designated;
- (8) Date, time, and price of the transaction;
- (9) Other matters determined by the Broker Participant in addition to those in each of the preceding items.

2. Notwithstanding the provisions of the preceding paragraph, a customer is not required to provide the instructions prescribed in Item (5) of the same paragraph with every order, if, with respect to the said instructions, the Broker Participant has agreed to handle the order from the customer in accordance with the method instructed by the customer in advance. In this case, the Broker Participant shall handle the customer order in accordance with the method instructed by the customer with respect to the said instructions.

(Special Provisions for Instructions, etc. in the Case of Entrustment of Automatic Program Transactions)

Article 6-2. In cases where a Broker Participant concludes with a customer (limited to Customers who have understood the matters listed in each item of the following paragraph) an agreement on transactions to be determined and executed by a computerized process or other processes executed in accordance with a predetermined method upon occurrence of a specified fact ("Automatic Program Transactions"), the Broker Participant may accept the Entrustment of such transactions pursuant to the said agreement without receiving the instructions for Entrustment provided for in each item of Paragraph 1 of the preceding article.

2. A Broker Participant intending to conclude an agreement prescribed in the preceding paragraph with a customer shall deliver to the customer a document setting forth the terms prescribed in each of the following Items:
  - (1) The outline of the Automatic Program Transactions to be entrusted;
  - (2) Disclosure to the effect that the Customer may incur unforeseen losses;
  - (3) Measures to prevent the harm of increasing losses, etc.;
  - (4) The scope of responsibility.
3. Before accepting the entrustment of a transaction, a Broker Participant must obtain consent from the Customer regarding the amount of Clearing Margin that can be used.
4. When a Broker Participant concludes an agreement prescribed in Paragraph 1 with a customer, the Broker Participant shall manage the Clearing Margin of the transactions pursuant to the said agreement separately from the Clearing Margins of other transactions.
5. The provisions of Article 3, Paragraph 5 and Paragraph 6 shall apply mutatis mutandis to documents to be delivered as described in Paragraph 2.
6. The provisions of Article 4, Paragraph 3 shall apply mutatis mutandis to the delivery of documents necessary for the conclusion of agreements as described in Paragraph 1.

(Special Provisions for Discretionary Transactions under Eligible Consent, etc.)

Article 6-3. Provided that a Specified Customer as provided for in Article 2, Paragraph 25 of the Act (excluding those deemed to be General Customers as provided for in Article 197-4, paragraph 5 or paragraph 8 of the Act and including those who are deemed to be Specified Customers in accordance with the provisions of Article 197-5, paragraph 4 or paragraph 6 of the Act; the same applies in the following paragraph) or a Specified Commercial Person as provided for in Article 2, paragraph 26 of the Act (excluding those who are deemed to be General Customers pursuant to the provisions of Article 197-4, paragraph 5 or Article 197-4,

paragraph 8 of the Act as applied mutatis mutandis to Article 197-8, paragraph 2 and including those deemed to be Specified Commercial Persons in accordance with the provisions of Article 197-9, paragraph 4 or paragraph 6 of the Act as applied mutatis mutandis to Article 197-9, paragraph 2 of the Act; the same applies in the following paragraph) has consented in advance for the matters listed in each Item of Article 6, Paragraph 1 (excluding the price in the case of Item (8)), and has concluded an agreement under which the Broker Participant may determine the matters listed in Item (8) (limited to the price) within the scope of consent (referred to as "Eligible Consent" in the following paragraph) of an appropriate range, taking into consideration the market price as of the date of the said consent (or, if there is no market price as of the date of the said consent, the latest market price available preceding the date of the said consent), the Broker Participant may accept the entrustment of transactions pursuant to the agreement.

2. In cases where a Broker Participant concludes with a Specified Customer or a Specified Commercial Person an agreement regarding the total amount of individual transactions, the matters listed in Items (1) through (5) and Items (7) through (9) of Article 6, Paragraph 1 (excluding the price in the case of Item (8)), and the ability of the Broker Participant to determine either of the matters listed in Item (6) or Item (8) (limited to the price in the case of Item (8)), having obtained the consent of the Specified Customer or Specified Commercial Person (including Eligible Consent in the case of Item (8)) for the other matter, the Broker Participant may accept the entrustment of transactions pursuant to the agreement.

### **Chapter 3 Margins**

(Placement or Deposit of Clearing Margins)

Article 7. With regard to accepting the entrustment of transactions on Commodity Markets, a Broker Participant must, as an agent of the Customer, deposit with JSCC the Clearing Margins, which are placed by the Customer as collateral with the Broker Participant.

2. Notwithstanding the provisions of the preceding paragraph, with regard to the brokerage of transactions, a Broker Participant may, with the written consent of the customer, receive a deposit of Customer Margin from the customer.
3. A Broker Participant may, in lieu of obtaining consent in writing as provided for in the preceding paragraph, obtain the consent of a customer via electromagnetic means (referring to a method using an electronic information processing system or other information communications technology that is provided for in Article 41, paragraph 3 of the Ordinance; hereinafter, the same applies in this article) by presenting to the Customer the types and details (referring to the types and details provided for in each item of Article 41, paragraph 6 of the Ordinance) of the electromagnetic means to be used. In such cases, the Broker Participant shall be deemed to have obtained the written consent of the Customer.
4. In the event that a customer issues a notification in writing or via electromagnetic means to the effect that the Customer will not provide consent via electromagnetic means, the Broker Participant who had previously obtained the consent of the Customer in accordance with the provisions of the preceding paragraph must not accept the documents via electromagnetic means; provided, however, that this shall not apply if the Customer grants approval again in

accordance with the provisions of the same paragraph.

5. A Broker Participant may choose not to accept the placement or depositing of all or a part of the Clearing margin as provided for in Article 11, Paragraph 2 from a customer who has placed warehouse receipts (referring to those certifying the storage of the commodities that may be delivered on the Commodity Markets of the Exchange) as the Clearing margin for an unsettled position (referring to a trade agreement that has not been settled pertaining to a transaction on the Commodity Markets of the Exchange; hereinafter, the same applies), in the case of a sale.

(Agent)

Article 8. A customer shall deposit and receive reimbursement of his or her Clearing Margin, with and from JSCC, through a Broker Participant (or the Broker Participant and its Designated Clearing Participant if the said Broker Participant is a Non-Clearing Participant; hereinafter, the same applies in this article) acting as his or her agent.

2. A customer shall not appoint any person other than the Broker Participant as described in the preceding paragraph as an agent for depositing and receiving the reimbursement of his or her Clearing Margin with and from JSCC. In addition, the customer shall not dismiss the said agent.
3. The provisions of the preceding two paragraphs notwithstanding, in the event that business rules are taken in regard to all or part of the unsettled positions entrusted to the Broker Participant when there is a failure to perform settlement, the right of representation of the Broker Participant shall be extinguished.

(Appropriation Securities and Other Instruments)

Article 9. Clearing Margins may be deposited in the form of securities provided for in Article 101, paragraph 3 of the Act or warehouse receipts provided for in Article 103, paragraph 5 ("Appropriation Securities etc.").

2. The types, brands and allocation price of Appropriation Securities etc. prescribed in the preceding paragraph, and other matters necessary for the handling of Appropriation Securities etc., shall be determined by JSCC.
3. The Appropriation Securities etc. provided for in Paragraph 1 shall be restricted to those for which all procedures necessary for the assignment or conversion to cash have been completed.
4. Where transferring rights to be indicated on the securities provided for in Article 101, paragraph 3 of the Act as provided for in Paragraph 1 pursuant to the provisions of the Act on Book-Entry Transfer of Corporate Bonds and Shares (Act No. 75 of 2001), and where agreed by the Broker Participant, a customer shall open an account and cause the Broker Participant, who is an agent of the Customer, to open an account with an entity designated by JSCC, and conclude an agreement in which the Customer agrees to transfer such securities to and from JSCC through the account of the relevant Broker Participant, who is an agent of the Customer.

(Type of Currencies)

Article 10. Clearing Margins may be paid or deposited in the form of foreign currencies specified in the Margin Rules.

2. Notwithstanding the provisions of the preceding paragraph, a customer may pay or deposit to

the Broker Participant in the form of any type of foreign currencies if accepted by the said Broker Participant.

(Deferral of Placement of Clearing Margins)

Article 10-2. A customer may, by obtaining the approval of JSCC, conclude an LG Agreement Concerning Direct Deposits (referring to an Agreement of Letter of Guarantee Concerning Direct Deposits as provided for in the Margin Rules; hereinafter, the same applies) with a Bank, etc. (referring to a bank, etc., as provided for in Article 44 of the Ordinance) and notify JSCC to that effect.

2. When obtaining approval as provided for in the preceding paragraph, a customer must obtain the approval of the Broker Participant to which the Customer intends to entrust transactions on Commodity Markets (including the Designated Clearing Participant of the Non-Clearing Participant when the relevant Broker Participant is a Non-Clearing Participant; hereinafter, the same applies in this article) in advance.
3. The provisions of Article 11, Paragraph 2 notwithstanding, in cases described in Paragraph 1, the Customer may be granted, and the Broker Participant may grant the deferral of the placement of Clearing Margins equivalent to the Total Deficiency Amount or Cash Deficiency Amount, as set forth by the Broker Participant, within the limit of the Contract Deposit Amount under the LG Agreement Concerning Direct Deposits.
4. Other than cases described in the preceding three paragraphs, matters related to the deferral of the placement of Clearing Margins based on the LG Agreement Concerning Direct Deposits shall be determined by JSCC.

(Amount of Clearing Margins and Cut-off Time for Placement or Deposit of Clearing Margins)

Article 11. In cases where a Total Deficiency Amount or Cash Deficiency Amount has been incurred, a Broker Participant must provide notification of the amount of total deficiency or cash deficiency to the Customers without delay.

2. A customer shall place or deposit an amount not less than the larger of the Total Deficiency Amount or the Cash Deficiency Amount with the Broker Participant as Clearing Margin by the date and time designated by the Broker Participant, which will be set no later than the time limit for deposit specified by JSCC on the business day (two business days in cases when the Customer is a non-resident) immediately following the day on which the deficiency occurs (referring to a day separately specified for each Clearing Period determined by JSCC). In such cases, the amount of Clearing Margin equivalent to the Cash Deficiency Amount may not be placed or deposited in the form of Appropriation Securities, etc.
3. The provisions of the preceding two paragraphs notwithstanding, in cases where the Amount Required for Margin has been increased in accordance with the amount of risk, as provided for in Article 8 of the Margin Rules, a Broker Participant (or Designated Clearing Participant in cases where the Broker Participant is a Non-Clearing Participant) may exclude the relevant amount from the Amount Required for Margin on the condition that the Broker Participant agrees with the customer to deposit the amount equivalent to the increase with JSCC from its own money, and applies to do so to JSCC.

(Payout of Book Profit)

Article 11-2. When the Mark-to-Market Profit or Loss Amount of a customer is a profit, a Broker Participant may, in response to a request from the Customer, pay cash equivalent to the profit (“Book Profit”) or reclassify it as the Clearing Margin.

2. The payout or reclassification prescribed in the preceding paragraph may be made only up to the amount equivalent to the difference between the Total Margin Amount Received and the Trading margin for customers of the customer when the former exceeds the latter.

(Refund of Deposited Margin Excess)

Article 12. A Broker Participant must, upon a request from a customer to refund the amount set by the Broker Participant within a scope that does not exceed the Excess Amount of Deposited Margin, refund an amount corresponding to the request within four (4) business days from the date of the request. However, this shall not apply to cases where the Excess Amount of Deposited Margin has exceeded the amount deposited in cash by the customer as Clearing Margin.

(Special Provisions for the Timing of Deposit of Clearing Margin)

Article 12-2. In addition to the timing provided for in Article 11, Paragraph 2, a Broker Participant may conclude a special agreement with a customer concerning the timing of placement or deposit of Clearing Margin.

(Issuance of Clearing Margin Deposit Receipt)

Article 13. When a customer places or deposits Clearing Margin with a Broker Participant as collateral for transactions, the Broker Participant must, except in the case of exclusion from application as provided for in Article 220, paragraph 4 of the Act, issue a Clearing Margin Deposit Receipt (hereinafter, referred to as a “Receipt” in this article) to the Customer from the head office or one of the branches, other business offices, or offices of the Broker Participant. The Receipt to be issued shall state the amount (in the case of foreign currencies, amounts equivalent to Japanese yen calculated in accordance with the provisions set forth by JSCC) placed or deposited in cash, the item, quantity, and Substituting Price of the placed or deposited Appropriation Securities, etc.

2. The provisions of the preceding paragraph notwithstanding, a Broker Participant may, with the written consent of the Customer, omit the issuance of the Receipt for Clearing Margin placed or deposited through a financial institution.
3. The provisions of Article 7, Paragraph 3 and Paragraph 4 shall apply mutatis mutandis to the written consent prescribed in the preceding paragraph.
4. The provisions of Article 3, Paragraph 5 and Paragraph 6 shall apply mutatis mutandis to the issuance of documents as described in Paragraph 1.

(Disposition of Transactions upon Non-payment of Clearing Margins)

Article 14. With regard to entrusted transactions, in cases where a customer fails to place or



deposit the Clearing Margin provided for in Article 11, Paragraph 2 by the prescribed date and time (in cases where a special agreement is concluded pursuant to the provisions of Article 12-2, the date and time shall include the date and time specified in the relevant special agreement), and the Customer gives no instructions to a Broker Participant as to which transaction is subject to disposition, the Broker Participant may, at its discretion, dispose of all or some of the Customer's transactions entrusted to the Broker Participant by resale or repurchase on the Customer's account.

2. In the case referred to in the preceding paragraph, a Broker Participant may, at its discretion, cancel any of the orders that the Broker Participant has already accepted from the said customer.

#### **Chapter 4 Settlement by Offset or Delivery, etc**

(Settlement by Offset)

Article 15. When a Broker Participant has performed a resale or repurchase in relation to an entrusted transaction, in accordance with the instructions of the Customer, the Broker Participant shall calculate the Profit or Loss resulting from Liquidation based on the Execution Price,, thereof.

2. For the purpose of the preceding paragraph, if there are two (2) or more existing transactions that can be offset by resale or repurchase, such transactions shall be resold or repurchased in chronological order, with priority assigned to the oldest transaction, unless otherwise instructed by the customer.
3. For entrusted Physically Delivered Futures Transactions pertaining to the current contract month, a Broker Participant shall dispose of the transactions by resale or repurchase on the Customer's account during the trading session of the Last Trading Day of the current contract month, unless otherwise instructed by the Customer by 4:00 p.m. on the day immediately preceding the Last Trading Day of the current contract month. In such cases, when disposing of these transactions by resale, the Broker Participant shall be deemed to have received an instruction to perform the resale at the lowest limit price as specified in Article 33, Paragraph 3 of the Market Rules, and when disposing of these transactions by repurchase, the Broker Participant shall be deemed to have received an instruction to perform the repurchase at the highest limit price as specified in the same.
4. The provisions of the preceding paragraph notwithstanding, a Broker Participant may receive instructions from a customer regarding the preferred settlement method from among those specified by the Broker Participant with respect to entrusted transactions for the current contract month on the date of the instruction (14<sup>th</sup> of the month containing the Last Trading Day of the current contract month for soybeans and azuki beans (to be brought forward in order if the day falls on a holiday), the final day of the month preceding the month containing the Last Trading Day of the current contract month for corn and raw sugar (to be brought forward in order if the day falls on a holiday), and the 10<sup>th</sup> of the month containing the Last Trading Day of the current contract month for rice (to be brought forward in order if the day falls on a holiday); hereinafter, the same applies), and unless otherwise instructed by the Customer by 4:00 p.m. on the date

of the instruction or the instructions differ from the settlement methods specified by the Broker Participant, the Broker Participant shall dispose of the transactions by resale or repurchase on the Customer's account during a trading session on or after the business day following the date of the instruction. In such cases, when disposing of these transactions by resale, the Broker Participant shall be deemed to have received an instruction to perform the resale at the lowest limit price as specified in Article 33, Paragraph 3 of the Market Rules, and when disposing of these transactions by repurchase, the Broker Participant shall be deemed to have received an instruction to perform the repurchase at the highest limit price as specified in the same.

5. The provisions of Paragraph 1 shall apply mutatis mutandis to the disposition of entrusted transactions provided for in the Paragraph 1 of the preceding article, Paragraphs 3 and 4 of this article, Paragraph 3 of the following article, Article 24, Article 24-2, Paragraph 2, Article 24-3, Article 24-4, Paragraph 2, Article 26, Paragraphs 1 through 3, Article 37-2, Article 41, Paragraph 4, and Article 59, Item (3).

(Settlement by Delivery)

Article 16. A customer shall place with the Broker Participant any warehouse receipts pertaining to a sale that he or she intends to settle by delivery, when he or she is a seller, and the Total Trading Value pertaining to a purchase that he or she intends to settle by delivery, when he or she is a buyer, by no later than 4:00 p.m. on the business day before the Last Trading Day of the current contract month. In such cases, a customer who is a buyer shall place with the Broker Participant an amount equivalent to consumption taxes pertaining to the delivery charge for the purchase, by no later than 4:00 p.m. on the business day before the Delivery Day of the current contract month.

2. The provisions of the first part of the preceding paragraph notwithstanding, a customer whom the Broker Participant has deemed appropriate may place with the Broker Participant any warehouse receipts pertaining to a sale when he or she is a seller, and the Total Trading Value pertaining to a purchase when he or she is a buyer, by the date and time specified by the Broker Participant.
3. In the event that a customer does not place the warehouse receipts or the Total Trading Value by the date and time described in Paragraph 1 (or the preceding paragraph, when the Customer has been deemed appropriate by the Broker Participant), the Broker Participant shall dispose of the positions by resale or repurchase on the Customer's account during a trading session on or after that date and time (or, in cases where the Customer gave instructions for settlement by delivery on the date of instruction in accordance with the provisions of Paragraph 4 of the preceding article, and the Customer fails to place the warehouse receipts or Total Trading Volume by the date and time determined by the Broker Participant, from the relevant date and time). In such cases, when disposing of these transactions by resale, the Broker Participant shall be deemed to have received an instruction to perform the resale at the lowest limit price as specified in Article 33, Paragraph 2 or Paragraph 3 of the Market Rules, and when disposing of these transactions by repurchase, the Broker Participant shall be deemed to have received an instruction to perform the repurchase at the highest limit price as specified in each of the same.

4. If delivery on the Exchange is completed in relation to the settlement by delivery of an entrusted transaction, the Broker Participant must, without delay, deliver to a customer who is a seller the delivery charge and the amount equivalent to consumption taxes pertaining to the delivery charge, or deliver to a customer who is a buyer the warehouse receipts received from the Exchange. In such cases, if a customer who is a buyer consists of two (2) or more persons and the details of the warehouse receipts received from the Exchange differ, they must be allocated fairly, by drawing of lots or other method.
5. The provisions of Paragraphs 1, 2, and 4 shall apply mutatis mutandis in cases where there is an intention to settle a transaction pertaining to rice (limited to Tokyo Rice, as set forth in Article 11, Paragraph 2, Item (4) of the Market Rules), by mutually-agreed early delivery, as set forth by JSCC in the Rules on Handling concerning Settlement by Delivery related to Products Listed on Osaka Dojima Exchange. In such cases, "Last Trading Day of the current contract month" or "delivery day of the current contract month" shall be deemed to be replaced with "delivery day," and "warehouse receipts" shall be deemed to be replaced with "agreed-upon delivery documents."
6. In addition to the cases provided for in each of the preceding paragraphs, the Market Rules and the Business Rules shall apply mutatis mutandis to matters necessary for delivery.

(Entrustment Fee)

Article 17. Upon execution of transactions (including the disposition of transactions in accordance with the provisions of Article 14, Paragraph 1, Article 15, Paragraph 3 or 4, Paragraph 3 of the preceding article, Article 24, Article 24-2, Paragraph 2, Article 24-3, Article 24-4, Paragraph 2, Article 26, Paragraphs 1 through 3, Article 37-2, Article 41, Paragraph 4, or Article 59, Item (3)), or if specified by the Broker Participant, a customer shall pay an Entrustment Fee to the Broker Participant in accordance with the procedures set forth by the Broker Participant.

(Satisfaction of Outstanding Obligations with Cash and Equivalents Placed or Deposited)

Article 18. Deposited Margin placed or deposited by a customer and other cash, Appropriation Securities, etc., and other property placed or deposited by a customer with a Broker Participant shall constitute common collateral for the purpose of satisfaction of the Customer's obligations pertaining to transactions on the Exchange and other commodity exchanges incurred through entrustment.

2. The provisions of Article 12 notwithstanding, a Broker Participant shall retain any cash, Appropriation Securities, etc., or other property, as described in the preceding paragraph as collateral until the satisfaction by the Customer of the Customer's obligations arising from the entrustment of transactions on the Exchange and other commodity exchanges performed by Entrustment from the Customer.
3. In the event that a customer fails to satisfy obligations arising in connection with the Customer's transactions within ten (10) business days from the day designated by a Broker Participant, the Broker Participant may appropriate any Deposited Margin as described in Paragraph 1 and other cash, Appropriation Securities, etc., and other property placed or deposited by the Customer with the Broker Participant for the satisfaction of the said obligations. In such cases,

if any excess or deficiency arises from the appropriation, excess shall be refunded to the Customer in accordance with the provisions of Article 12, and deficiency shall be paid by the Customer to the Broker Participant by the date and time specified by the Broker Participant.

4. For the purpose of appropriating Appropriation Securities, etc., and other property for the satisfaction of obligations in accordance with the provisions of the preceding paragraph, a Broker Participant may dispose of the collateral and convert it to cash. In such cases, any taxes and costs related to the conversion shall be borne by the Customer.
5. A Broker Participant , appropriating collateral for the satisfaction of any outstanding obligations under the provisions of Paragraph 3, shall notify a customer thereof in writing, in advance.
6. A Broker Participant may, in lieu of the notification in writing as provided for in the preceding paragraph, provide the matters that are required to be notified to the customer via electromagnetic means (referring to a method using an electronic information processing system or a method using other information communications technology provided for in Article 110 of the Ordinance; hereinafter, the same applies in this article), provided that the Broker Participant has obtained the consent of the customer in writing, or via electromagnetic means by presenting to the customer the types and details (meaning the types and details provided for in each item of Article 90-4 of the Ordinance) of the electromagnetic device used. In such cases, the Broker Participant shall be deemed to have given the notification in writing to the Customer.
7. In the event that a customer issues a notification in writing, or through an electromagnetic device that the customer will not accept the said notification through the electromagnetic device, the Broker Participant who had previously obtained the consent of the customer, pursuant to the provisions of the preceding paragraph, shall not provide the matters that are required to be contained in the said notification document to the customer through the electromagnetic device. However, this rule shall not apply if the customer grants his or her consent again pursuant to the provisions of the preceding paragraph at a later date.

(Special Provisions for Conversion of Appropriation Securities etc. to Cash)

Article 18-2. In cases falling under Article 303, paragraph 1, item (4) of the Act, when a Broker Participant is required to return to the customer Appropriation Securities, etc. that have been placed or deposited by the Customer via transfer as provided for in Article 9, Paragraph 4 but is unable to perform the return via transfer owing to causes not attributable to the Broker Participant, the Broker Participant may return the relevant Appropriation Securities, etc., in the form of cash by disposing of them and converting them to cash. In this case, the customer shall bear any taxes and costs necessary for the conversion and may not lodge any objection to the conversion.

#### **Chapter 5 Notification for Customer, etc.**

(Notice of Execution of Transactions)

Article 19. Upon the execution of entrusted transactions, the Broker Participant must notify the Customer of the following matters and the matters provided for in Article 109 of the Ordinance in writing without delay, except in cases where notification is not required in accordance with

the provisions of the proviso to Article 220, paragraph 1 of the Act, or in the case of exclusion from application provided for in Article 220-4 of the Act.

- (1) Type of Trade;
  - (2) Listed Commodity Component Products;
  - (3) Date and time at the instructions for entrustment were received;
  - (4) Contract month;
  - (5) Categorization into buy or sell;
  - (6) Categorization into new or existing;
  - (7) Date and time at which the transaction was executed;
  - (8) Quantity;
  - (9) Execution Price etc. of the executed transaction (including the Execution Price of the original transaction when exiting a position);
  - (10) Total trading value of the executed transaction;
  - (11) Mark-to-Market Profit or Loss Amount;
  - (12) Entrustment Fee and/or Tentative Entrustment Fee;
  - (13) Tentative mark-to-market net profit or loss;
  - (14) Profit or loss resulting from liquidation;
  - (15) Outstanding balance of Deposited Margin.
2. Upon receiving notice under the preceding paragraph, a customer lodging an objection to any of the matters contained in the notice shall notify the Broker Participant thereof, without delay.
  3. Upon receiving an objection under the preceding paragraph, the Broker Participant shall issue a written response to the customer, without delay.
  4. The provisions of Article 18, Paragraphs 6 and 7 shall apply mutatis mutandis to written notices as described in Paragraph 1 and written responses as described in the preceding paragraph.

(Notice of Unexecuted Transactions)

Article 20. In cases where all or part of an entrusted transaction was not executed, a Broker Participant must notify the Customer to that effect without delay.

2. The provisions of Paragraphs 2 and 3 of the preceding article shall apply mutatis mutandis to cases of unexecuted transactions under the preceding paragraph. However, to the extent that the unexecuted transactions are due to the absence of price formation for Listed Commodities or Listed Commodity Indexes, or restrictions on transactions imposed pursuant to the provisions of the Market Rules, the Customer may not object thereto.
3. The provisions of Article 18, Paragraph 6 and 7 shall apply mutatis mutandis to written responses as described in Paragraph 3 of the preceding article as applied mutatis mutandis in the preceding paragraph.

(Notice of Settlement by Delivery)

Article 21. If entrusted transactions are settled by delivery in accordance with the provisions of Article 16, the Broker Participant must, without delay, provide written notification to the Customer of the following matters (in cases of mutually agreed early delivery, this excludes the warehouse name and warehouse receipt numbers when delivery will not be performed at a

warehouse, and excludes the warehouse receipt number when delivery will not be performed via warehouse receipts).

- (1) Type of Trade;
  - (2) Type and kind of the Listed Commodity Component Products;
  - (3) Contract month;
  - (4) Date of buy or sell;
  - (5) Quantity;
  - (6) Warehouse name;
  - (7) Warehouse receipt number;
  - (8) Execution price of the executed transaction;
  - (9) Grade differential;
  - (10) Delivery charge;
  - (11) Delivery price and consumption tax applicable to the delivery charge;
  - (12) Any miscellaneous expenses;
  - (13) Entrustment Fee on new buy or sell orders and Entrustment Fee on delivery;
  - (14) Net amount of payment and receipt.
2. The provisions of Article 18, Paragraphs 6 and 7 shall apply mutatis mutandis to written notices as provided for in the preceding paragraph.
  3. The provisions of the proviso to Article 220, paragraph 1 and the provisions of Article 220-4 of the Act shall apply mutatis mutandis to notices as described in Paragraph 1.

(Regular Confirmation of Customer Account Balances)

Article 22. At least once on the last day of every reporting period (referring to periods of three (3) months or less as a division of one (1) year (or one (1) year or periods of less than one (1) year in the event that no execution of an entrusted transaction has been made for one (1) year since the most recent reporting date, and also there is some remaining Deposited Margin)) that a day when a customer has placed or Deposited Margin with a Broker Participant belongs to, the Broker Participant shall notify the Customer of the matters set forth in each of the following items, in writing, and request that the Customer confirms the information, and must accept any instructions from the Customer regarding the refund of the Excess Amount of Deposited Margin.

- (1) Balance of the Deposited Margin (the balance of cash or Appropriation Securities, etc., shall be clarified separately and in aggregate, with amounts in foreign currencies converted into Japanese yen in accordance with the procedures set forth by JSCC, the type, brand, quantity, and with the type, item, quantity, and Substituting Price clarified for Appropriation Securities, etc.);
- (2) Amount of "Trading margin for customers;
- (3) Details of unsettled transactions, etc.;
  - A. Type of Trade;
  - B. Type of the listed commodity component product;
  - C. Contract month;
  - D. Buy or sell;
  - E. Date of execution of transaction;

- F. Quantity;
  - G. Execution price;
  - H. Mark-to-market profit or loss amount;
  - (4) Total Margin Amount Received;
  - (5) Excess amount of Deposited Margin;
  - (6) In cases where the payout, etc. of book profit is planned, the maximum allowable amount of such payout, etc.
2. In addition to cases in accordance with the provisions of the preceding paragraph, the Broker Participant must, when requested by a customer, provide notification of the matters set forth in each item of the preceding paragraph, without delay (in cases where the Customer requests notification of the matters set forth in each item of the preceding paragraph each time an entrusted transaction is executed, notification must be provided each time a trade is executed).
  3. Upon receiving notice as described in the preceding two paragraphs, a customer who lodges an objection thereto shall notify the Trading Participant thereof, without delay.
  4. Upon receiving an objection under the preceding paragraph, the Broker Participant shall issue a written response to the customer, without delay.
  5. The provisions of Article 220-4 of the Act shall apply mutatis mutandis to written notices as described in Paragraph 1, and the provisions of Article 18, Paragraphs 6 and 7 shall apply mutatis mutandis to written notices as described in Paragraph 1 and written responses as described in the preceding paragraph.

(Notice of Disposition of Transactions)

- Article 23. The provisions of Article 19, Paragraph 1 shall apply mutatis mutandis to disposition as provided for in Article 14, Paragraph 1, Article 15, Paragraph 3 or 4, Article 16, Paragraph 3, the following article, Article 24-2, Paragraph 2, Article 24-3, Article 24-4, Paragraph 2, Article 26, Paragraphs 1 through 3, Article 37-2, Article 41, Paragraph 4, or Article 59, Item (3).
2. The provisions of Article 18, Paragraphs 6 and 7 shall apply mutatis mutandis to cases described in the preceding paragraph.

## **Chapter 6 Restrictions on Transactions, etc.**

(Emergency Measures)

Article 24. In the event that an entrusted transaction falls under any of the following items or is disposed of by resale or repurchase as part of an emergency measure, the Broker Participant must notify the Customer to that effect, without delay. In such cases, the customer may not lodge an objection to the said decision.

- (1) Where transactions, or the number of entrusted transactions is restricted, or special restrictions on either case are imposed by temporary suspension or temporary commencement of a trading session, or by restriction on the number of unsettled positions of a Trading Participant, or on other matters, pursuant to the applicable laws and regulations or the Market Rules;
- (2) Where all or some of the entrusted unsettled positions have become subject to emergency

- measures, such as forced liquidation, pursuant to the Market Rules;
- (3) Where all or some of the entrusted unsettled positions have become subject to procedures for the non-performance of settlement, or unsettled positions are allocated prior to their deadline owing to the failure to perform an agreement by a Failed Participant, pursuant to the Business Rules;
  - (4) Where all or some of the entrusted outstanding positions have been not delivered by a Trading Participant who is an interested party of the delivery, and measures are taken in accordance with the Business Rules, pursuant to the Business Rules;
  - (5) Where the settlement of transactions has been completed in connection with all outstanding entrusted unsettled positions, pursuant to the Market Rules;
  - (6) Where measures determined by the Exchange to be necessary for market management have been taken with respect to entrusted transactions, pursuant to the Market Rules.

(Measures to be Taken in the Case of False Notification by Customer, etc.)

Article 24-2. In cases where a Broker Participant recognizes that matters about which a customer has provided notification pursuant to the Act, Article 5, or there are doubts concerning these matters, the Broker Participant may inquire about the relevant matters with the Customer and request that the Customer submits a report on any necessary matters. In such cases, the Customer requested to submit a report must promptly respond to the request.

2. In cases where, after failing to respond to the initial inquiry described in the preceding paragraph, a customer fails again to respond to a repeated inquiry made as described in the same paragraph without justifiable reason, or in cases where it is recognized that the response to the inquiry described in the preceding paragraph is false, the Broker Participant may, at its discretion, dispose of all or some of the entrusted transactions by resale or repurchase on the Customer's account. In such cases, the customer may not lodge an objection to the said decision.

(Measures, etc. in Case of Abolishment or Suspension of Listed Commodity, etc.)

Article 24-3. In the event that, with regard to an entrusted transaction, the Exchange has decided to abolish or temporarily halt the trading of a Listed Commodity, Listed Commodity Component Product, Standard Grade Materials for Physically Delivered Futures Transactions, or the Target of Cash-settled Rolling Spot Futures Transactions, abolish or change the Type of Trades, or change the contract terms, and the Exchange will designate the date of the abolishment, and suspension, or change, and require all positions unsettled at the close of the Trading Session on this date (excluding those pertaining to the current contract month if this date falls on the Last Trading Day of the current contract month) to be settled at the last execution price, etc., the Broker Participant must notify the Customer to that effect, without delay. In such cases, the customer may not lodge an objection to the said decision.

(Measures, etc. When Broker Participants Receive Instructions for Improvement of Position Holding)

Article 24-4. In cases where a Broker Participant (or the Broker Participant or Designated Clearing



Participant thereof if the Broker Participant is a Non-Clearing Participant; hereinafter, the same applies in this article) receives instructions for improvement (referring to instructions for the improvement of positions held, provided for in Article 31 of the Business Rules; hereinafter, the same applies), the Broker Participant may request that Customers or Intermediaries who entrusted the transactions that are closely linked to the circumstances of the instructions for improvement settle the unsettled positions via offsetting trades or transfer the unsettled positions to other Broker Participants; provided, however, that such requests may only be submitted in cases when the Broker Participant has received instructions for improvement because the Customer has not complied with measures implemented in accordance with the provisions of Article 30, Paragraph 2 of the Business Rules in relation to the Clearing Margin of the Customer, without any justifiable reason.

2. In cases described in the preceding paragraph, a Broker Participant may perform the disposal by resale or repurchase on the Customer's account, in order to settle the unsettled positions of the Customer, within a scope reasonably deemed necessary; provided, however, that such disposals may only be performed in cases where the Broker Participant has made reasonable efforts to comply with the instruction for improvement by other means and is still unable to comply, and the Broker Participant has submitted a request as described in the preceding paragraph to the Customer, in advance, with a reasonable period of grace, but the Customer has not performed as requested, without justifiable reason.
3. The provisions of the preceding two paragraphs shall apply mutatis mutandis in cases where the Designated Clearing Participant of a Non-Clearing Participant receives the instructions for improvement and the Designated Clearing Participant instructs the Non-Clearing Participant to settle its unsettled positions or transfer its unsettled positions to another Broker Participant.

(Prohibition on Discretionary Trading)

Article 25. A Broker Participant may not engage in any of the following trading activities on the Commodity Markets.

- (1) Accepting the entrustment of transactions without receiving instructions from a customer on some or all of the matters set forth in each item of Article 6, Paragraph 1 (excluding actions set forth in each item of Article 102, paragraph 1 of the Ordinance);
  - (2) Conducting transactions for a customer's account without receiving instructions from the Customer (excluding dispositions of customer positions as provided for in Article 14, Paragraph 1, Article 15, Paragraph 3 or 4, Article 16, Paragraph 3, Article 24, Article 24-2, Paragraph 2, Article 24-3, Paragraph 2 of the preceding article, Paragraphs 1 through 3 of the following article, Article 37-2, Article 41, Paragraph 4, or Article 59, Item (3)); or
  - (3) Accepting entrustment from an agent of a customer with general authority regarding some or all of the matters set forth in each item of Article 6, Paragraph 1 (excluding agents described in Article 5, Paragraph 1, Items 4 and 6).
2. The provisions of Article 102, paragraph 2 of the Ordinance shall apply to the activities specified parenthetically as exclusions in Item (1) of the preceding paragraph.

(Restrictions on Transactions)

Article 26. With respect to transactions entrusted to a Broker Participant, regardless of under whose name they are performed, when the unsettled positions of a customer (or the total unsettled positions in cases when two (2) or more Broker Participants or Intermediaries (including Foreign Commodity Business Operators in this article) have been entrusted, or entrusted with the brokerage of entrustment) exceed or will exceed the limits on unsettled positions set by the Exchange, or the Exchange has deemed that they exceed these limits, the Broker Participant shall dispose of the unsettled positions in excess of these limits by resale or repurchase on the Customer's account, in accordance with the instructions of the Exchange, pursuant to the Market Rules.

2. With respect to transactions entrusted to a Broker Participant, if the Exchange recognizes that the transactions inhibit or are likely to inhibit fair price formation or the smooth settlement of transactions through cornering, bear raids, or any other actions performed independently or in concert with others on the Commodity Markets of the Exchange or other commodity exchanges, the Broker Participant shall restrict the acceptance of new transactions from the relevant Customer, or dispose of some or all of the entrusted transactions by resale or repurchase on the account of the Customer, in accordance with the instructions of the Exchange pursuant to the Market Rules of the Exchange.
3. With respect to transactions entrusted to a Broker Participant, if the Customer of the transactions refuses to provide explanations or submit materials when requested by the Exchange, pursuant to the Market Rules of the Exchange, for the purpose of ensuring fair transactions, the Broker Participant shall restrict the acceptance of new transactions from the Customer, or dispose of some or all of the entrusted transactions by resale or repurchase on the account of the Customer, in accordance with the instructions of the Exchange pursuant to the Market Rules of the Exchange.
4. In cases described in the preceding three paragraphs, the Customer may not lodge objections thereto.
5. In disposing of a transaction pursuant to the provisions of Paragraphs 1 through 3, a Broker Participant shall notify the customer thereof, in advance.

(Transfer of Positions)

Article 27. If it is determined, pursuant to the Business Rules, that entrusted unsettled positions of a Broker Participant will be transferred to another Broker Participant in cases falling under any of the following items, the Broker Participant must notify the Customer to that effect.

- (1) Where an agreement to transfer all entrusted unsettled positions has been concluded between the Transferor Broker Participant and the Transferee Broker Participant with the prior consent of the Customer of the Transferor Broker Participant with respect to the agreement;
  - (2) Where an agreement to transfer entrusted unsettled positions has been concluded between the Transferor Broker Participant, the Customer of the Transferor Broker Participant, and the Transferee Broker Participant.
2. A customer who intends to transfer its positions shall obtain approval from the Transferor Broker Participant and the Transferee Broker Participant for the said transfer in advance. In

such case, the customer shall notify the number of positions to be transfer, the name of the Transferee Broker Participant and other necessary matter to the Transferor Broker Participant by the time specified by the Transferor Broker Participant. A customer also shall notify the number of positions to be transfer, name of the Transferor Broker Participant and other necessary matter to the Transferee Broker Participant by the time specified by the Transferee Broker Participant.

3. If it is determined that the unsettled positions described in the preceding two paragraphs will be transferred, the Customer shall provide a document, pursuant to Article 4, to the Transferee Broker Participant. However, this shall not apply to cases where the relevant document has already been provided to the Transferee Broker Participant.
4. In cases where the customer positions were transferred pursuant to the provisions of Paragraph 1 or 2, the Clearing Margins of the customer previously deposited with JSCC (limited to those deposited directly with JSCC), shall be deemed to be deposited by the customer through the Transferee Broker Participant that is acting as its agent.
5. A Broker Participant or Intermediaries who falls under either of the following items may, pursuant to the Business Rules, transfer the entrusted unsettled positions of the Broker Participant to another Broker Participant as unsettled positions pertaining to brokerage by the Intermediaries, or transfer unsettled positions pertaining to brokerage by the Intermediaries to a person who is to be a Broker Participant as entrusted unsettled positions, or if it is deemed necessary by the Exchange, may transfer such positions to a person approved by the Exchange.
  - (1) Where the Broker Participant becomes an Intermediary of another Broker Participant:

Where prior consent has been obtained from the customer with respect to the change, that the Broker Participant will become an Intermediary of another Broker Participant; or
  - (2) Where the Intermediaries of another Broker Participant becomes a Broker Participant:

Where prior consent has been obtained from the Customer of Intermediary, with respect to the change that the Intermediary will become a Broker Participant.
6. In cases where unsettled positions were transferred, pursuant to Item (1) of the preceding paragraph, the Clearing Margins of the Customer deposited with JSCC (limited to those deposited directly with JSCC), shall be deemed to be deposited with JSCC by the Customer through the Intermediary and Transferee Broker Participant (or another person approved by the Exchange if it is deemed necessary) acting as its agents. In cases where unsettled positions were transferred pursuant to Item (2) of the preceding paragraph, the Clearing Margins of the Customer of Intermediaries deposited with JSCC (limited to those deposited directly with JSCC), shall be deemed to be deposited with JSCC by the Customer of Intermediaries through the person who became the Broker Participant (or another person approved by the Exchange if it is deemed necessary) acting as its agent.
7. In cases where unsettled positions were transferred in accordance with the provisions of this article, the Customer or the Customer of Intermediaries may not lodge objections against the Transferee Broker Participant, the Exchange, or JSCC with respect to the handling of the transfer of unsettled positions carried out pursuant to the provisions of these Rules, or other rules, regulations, etc., of the Exchange or JSCC.
8. The provisions of each of the preceding paragraphs shall apply mutatis mutandis to the transfer

of the unsettled positions of Overseas Customers (“Overseas Customers” as set forth in Article 34, Paragraph 2, Item (4) of the Market Rules; hereinafter, the same applies) of Remote Broker Trading Participants, as set forth in Article 94, Item (4) of the Market Rules to a Transferee Broker Participant, and the transfer of unsettled positions entrusted by customers who are non-residents of a Transferor Broker Participant to other Remote Broker Trading Participants as the unsettled positions of Overseas Customers.

(Special Provisions for the Transfer of Customer’s Positions)

Article 27-2. The provisions of the preceding article notwithstanding, a Broker Participant may process the unsettled positions of the Customer via the methods set forth in each of the following items if there are special provisions established with the Customer and it falls under the special provisions.

- (1) Transfer the unsettled positions of the Customer to another Broker Participant specified by the Broker Participant;
  - (2) Transfer the unsettled positions of the Customer to another Broker Participant specified by the Broker Participant at the price agreed upon by the Broker Participant and the other Broker Participant, and the other Broker Participant settles the transferred unsettled positions by resale or repurchase.
2. A broker Participant shall obtain the approval of another Broker Participant (if the other Broker Participant is a Non-Clearing Participant, both the other Broker Participant and the Designated Clearing Participant) and the Exchange in advance when performing processing as described in the preceding paragraph.

## **Chapter 7 Miscellaneous Provisions**

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

Article 28. A Broker Participant may conclude a special agreement with a customer stipulating that the Mark-to-Market Profit or Loss Amount is not added to the Cash Amount to be received or paid by the Customer when the Mark-to-Market Profit or Loss Amount is a profit.

(Claim for Reimbursement of Special Expenses)

Article 29. A Broker Participant may claim reimbursement from a customer for any special expenses incurred on behalf of the Customer in connection with entrusted transactions.

(Interest on Deposited Cash)

Article 30. JSCC will not pay any interest on Clearing Margins or other cash and securities deposited by Customers through their agents with the Clearing House for its management.

(Restrictions on Use of Appropriation Securities etc.)

Article 31. A Broker Participant must not place as collateral, lend, or otherwise dispose of Appropriation Securities, etc., deposited by a customer or Appropriation Securities, etc., in a

customer's account, in relation to transactions on the Commodity Markets, in any way contrary to the intent of the entrustment; provided, however, that this shall not apply in cases where the Appropriation Securities, etc., are deposited with an Entrustor Protection Fund approved by the competent minister pursuant to Article 279 of the Act ("Entrustor Protection Fund") or placed as collateral or entrusted to a financial institution with the consent of the Customer.

2. Financial institutions with which Appropriation Securities, etc., may be placed as collateral in accordance with the preceding paragraph shall be restricted to banks, credit cooperatives, Shinkin Banks, the Norinchukin Bank, the Shoko Chukin Bank, agricultural cooperatives or federations of agricultural cooperatives that can accept deposits or savings in the course of trade, trust companies or financial institutions engaging in the trust business (referring to financial institutions licensed under Article 1, paragraph 1 of the Act on Engagement in Trust Business by Financial Institutions (Act No. 43 of 1943)), and insurance companies.

(Right to Claim Refund of Clearing Margins from JSCC)

Article 32. In the event that some or all entrusted unsettled positions are subject to measures taken in the event of non-performance of settlement pursuant to the Business rules, and if the Customer holds the right to claim the return of Clearing Margins managed by JSCC, the Customer may exercise the right to claim return from JSCC, in accordance with the procedures set forth by JSCC. In this case, Appropriation Securities, etc., deposited as Clearing Margins for replacement deposit, shall be converted into cash (expenses therefor shall be deducted from the amount of Clearing Margins), and shall be returned in cash only. Furthermore, on account of fluctuations in the market prices of Appropriation Securities etc. deposited as Clearing Margins for replacement deposit or for other reasons, the Clearing Margins pertaining to the customer's right to claim a refund may not be refunded in full.

2. In cases where the amount of Clearing Margins returned based on a claim in accordance with the provisions of the preceding paragraph is not sufficient for the amount of the claim held by the Customer, or the amount repaid by the Broker Participant is not sufficient for the amount of the claim held by the Customer, the Customer may claim the deficiency from the Entrustor Protection Fund in accordance with the procedures set forth by the Entrustor Protection Fund; provided, however, that the amount of claim that the Customer may make against the Entrustor Protection Fund shall be limited to that pertaining to the Customer Assets provided for in Article 210, item (1) of the Act.

(Complaints and Request for Mediation)

Article 33. With regard to the acceptance of the entrustment of transactions on Commodity Market by a Broker Participant, a customer may lodge a complaint and request for arbitration or conciliation of disputes with The Commodity Futures Association of Japan, as provided for in Article 241 of the Act.

2. With regard to the processing of disputes related to the entrustment of transactions on a Commodity Market by a Broker Participant other than those handled by The Commodity Futures Association of Japan as described in the preceding paragraph, a customer may lodge a request for mediation with the Exchange, in accordance with the procedures set forth in the

Dispute Resolution Regulations of the Exchange.

3. The deadline for applications and requests described in the preceding two paragraphs shall be within three (3) years of the day on which the settlement of the transaction pertaining to the application or request was completed.

(Special Provisions for customers who are Trading Participants)

Article 34. Broker Participants are not required to deliver a copy of these Rules to Customers who are Trading Participants.

(Notification to Intermediaries Concerning Market Management)

Article 35. A Broker Participant who receives notification or instructions concerning market management from the Exchange must promptly notify its Intermediaries.

(Regular Confirmation of Intermediary Account Balances)

Article 36. The provisions of Article 22, Paragraph 1 notwithstanding, a Broker Participant shall follow the procedures set forth in this paragraph with respect to its Intermediaries on each business day.

2. Notwithstanding the provisions of Paragraph 3 of the same article, upon receiving the notification prescribed in the same article from a Broker Participant, an Intermediary lodging an objection to any of the matters contained in the notice shall notify the Broker Participant thereof by the business day immediately following the day on which the notice is received.

(Compliance Requirements for Intermediaries)

Article 37. The provisions of these Rules shall apply mutatis mutandis to the brokerage of the entrustment of transactions on Commodity Markets handled between Intermediaries and a Customer of Intermediaries, in accordance with the provisions of Article 1, Paragraph 2, except where there are special provisions; provided, however, that the matters set forth in each of the following items shall be handled in accordance with the procedures set forth in the relevant item.

(1) Approval pertaining to LG Agreements Concerning Direct Deposits

In cases where a Customer of Intermediaries intends to receive approval for the conclusion of an LG Agreement Concerning Direct Deposits, as provided for in Article 10, Paragraph 1, the approval of a Broker Participant, etc. (referring to a Broker Participant who is the Intermediary of the Customer of Intermediaries and the person receiving brokerage from a Intermediary (referring to a Broker Participant as provided for in the same article; hereinafter, referred to as an "Entrusted Broker Participant"); hereinafter, the same applies in this article) must be obtained, notwithstanding the application of the provisions of Article 10, Paragraph 2 to the main sentence of this article.

(2) Deferral of placement of Clearing margin pursuant to LG Agreements Concerning Direct Deposits

The provisions of Article 11, Paragraph 2 notwithstanding, in cases described in Article 10, Paragraph 1 applied to the main sentence of this article, the Customer of Intermediaries may

be granted, and the Broker Participant, etc., may grant the deferral of the placement of Clearing Margins equivalent to the Total Deficiency Amount or Cash Deficiency Amount, as set forth by the Broker Participant, etc., within the limit of the Contract Deposit Amount under the LG Agreement Concerning Direct Deposits.

- (3) Response to the increase in the Amount Required for Margin in accordance with the amount of risk

The provisions of Article 11, Paragraphs 1 and 2 applied to the main sentence of this article notwithstanding, in cases where the Amount Required for Margin has been increased in accordance with the amount of risk, as provided for in Article 8 of the Margin Rules, an Entrusted Broker Participant may exclude the relevant amount from the Amount Required for Margin on the condition that the Entrusted Broker Participant agrees with a Customer of Intermediaries to deposit an amount equivalent to the increase with JSCC from its own money, and applies to do so to JSCC.

- (4) Pledge to the Exchange pertaining to Niigata Koshihikari EXW

A pledge as described in Article 42, Paragraph 1 and notification as described in Article 43, Paragraph 1, applied to the main sentence of this article, must be submitted to the Exchange via a Broker Participant, etc., the provisions of Article 42, Paragraph 2 and Article 43, Paragraph 2 notwithstanding.

2. An Intermediary shall comply with the matters set forth in each of the following Items in handling intermediation of entrustment of transactions in the commodity markets:

- (1) Intermediaries shall require compliance with all rules, regulations, etc., of the Exchange from a Customer of Intermediaries, and when requested by the Exchange, Intermediaries shall submit any required materials related to services pertaining to the brokerage of the entrustment of transactions on Commodity Markets via a Broker Participant.

- (2) Intermediaries shall give instructions to a Broker Participant separately for its proprietary transactions and the transactions of its Customer of Intermediaries;

- (3) With respect to margins placed or deposited with a Broker Participant, the Intermediaries shall notify the Broker Participant on each business day of the classification of Clearing Margins, Customer Margins, or Contract Deposit Amounts pertaining to LG Agreements Concerning Direct Deposits for the Customer of Intermediaries pursuant to the provisions of Item (2) of the preceding paragraph placed by Customer of Intermediaries, or Clearing Margins or Customer Margins placed upon the receipt of the deposit of Intermediation Margin from Customer of Intermediaries, along with the respective amounts thereof, and the total amount of Amount Required for Margin of the Customer of Intermediaries.

- (4) Intermediaries shall notify the Broker Participant, on each trading day of information pertaining to the short positions and long positions of each Customer of Intermediaries provided for in Article 33 of the Margin Rules;

- (5) Intermediaries shall not engage in the brokerage of the entrustment of transactions as provided for in Article 5, Paragraph 4.

3. The provisions of Article 7, Paragraph 2 shall apply mutatis mutandis to Customer Margins and Intermediation Margins of Customer of Intermediaries.

4. If a Customer of Intermediaries places Clearing Margins or Customer Margins, or deposits

Intermediation Margins, the Intermediaries shall place or deposit this amount with the Broker Participant by the time designated by the Broker Participant, which will be no later than the cut-off time specified by JSCC.

5. If a Customer of Intermediary delivers money, securities, or other Items for settlement of delivery (hereinafter in this paragraph referred to as "Delivery Charge etc."), the Intermediary shall, as an agent for the said Customer of Intermediary, deliver the said Delivery Charge etc. to the said Broker Participant by the time designated by the Broker Participant no later than the cut off time prescribed by JSCC.
6. In cases falling under any of the following items, if the Exchange will transfer unsettled positions pertaining to the brokerage of the entrustment of transactions of the relevant Intermediary (the "Transferor Intermediary" hereinafter) to a entrusted Broker Participant, another entrusted Broker Participant, another Broker Participant, or an Intermediary of another Broker Participant (hereinafter, referred to as an "Transferee Broker Participant, etc." in this article), the Intermediaries must notify its Customer of Intermediaries to that effect.
  - (1) Where an agreement to transfer all unsettled positions pertaining to the brokerage of the entrustment of transactions has been concluded between the Transferor Intermediary to the Transferee Broker Participant, etc. (including an Entrusted Broker Participant who is an Intermediary; hereinafter, the same applies in this item and the next item), in advance with the consent of the Customer of the Transferor Intermediary with respect to the agreement;
  - (2) Where an agreement to transfer unsettled positions pertaining to the brokerage of the entrustment of transactions of the Customer of Intermediaries has been concluded between the Transferor Intermediary, the Customer of the Transferor Intermediary, and the Transferee Broker Participant, etc.
7. If it is determined that unsettled positions will be transferred as described in the preceding paragraph, the Customer of Intermediaries shall deliver a document pursuant to the Article 4 to the Transferee Broker Participant, etc. However, this shall not apply to cases where the said document has already been provided to the Transferee Broker Participant etc.
8. In cases where positions were transferred, pursuant to the provisions of Paragraph 6, the Clearing Margins of the Customer of Intermediary previously deposited with JSCC (limited to those deposited directly with JSCC) shall be deemed to be deposited by the Customer of Intermediary through the Transferee Broker Participant etc. (or, for an Intermediary, the Intermediary and an Entrusted Broker Participant), who is acting as its agent.
9. In cases where unsettled positions were transferred in accordance with the provisions of Paragraph 6, the Customer of Intermediaries may not lodge objections against the Transferee Broker Participant, etc., the Exchange, or JSCC, with respect to the handling of the transfer of positions performed pursuant to the provisions of these Rules and other rules, regulations, set forth by the Exchange or JSCC.

(Special Provision for Disposition of Positions pertaining to Transactions entrusted by Intermediaries)

Article 37-2. In the event that Intermediaries have fallen under any of the cases set forth in each of the following items, a Broker Participant shall immediately dispose of all or some of the



entrusted transactions by resale or repurchase on the Intermediaries' account, provided that a prior agreement exists with the Intermediaries. In such cases, the Intermediary and the Customer of Intermediary pertaining to the transactions subject to the said disposition may not lodge any objection to the said disposition.

- (1) When Article 303, paragraph 1, item (1) of the Act applies;
- (2) When Article 303, paragraph 1, item (2) of the Act applies;
- (3) When Article 303, paragraph 1, item (3) of the Act applies;
- (4) When the first sentence of Article 303, paragraph 1, item (4) of the Act applies;
- (5) When Article 303, paragraph 1, item (5) of the Act applies;
- (6) When Article 42, item (2) of the Order for Enforcement of the Commodity Derivatives Transaction Act (Cabinet Order No. 280 of 1950) applies;
- (7) In cases where there is an agreement between a Broker Participant and Intermediaries concerning the disposition of transactions for causes other than those listed in each of the preceding items and the agreement have been explicitly made known to the Customer of Intermediaries by the Intermediaries, when the Intermediaries have fallen under the conditions to agree.

(Special Provisions for the Refund of Clearing Margin to Customers of Intermediary)

Article 37-3. In cases where a Broker Participant has disposed of the transactions of Intermediaries in accordance with the provisions of the preceding article, the Broker Participant shall immediately refund all Customer of Intermediaries' Clearing Margin and Intermediation Margin pertaining to the Intermediaries to the Customer of Intermediaries. In such cases, a Broker Participant may entrust related duties to the Entrustor Protection Fund, provided that there is a prior agreement with the Entrustor Protection Fund.

(Special Provision for Broker Participants who are Non-Clearing Participants)

Article 38. The provisions of these Rules shall apply mutatis mutandis to the processing of the brokerage of entrustment of Commodity Clearing Transactions and the brokerage of the entrustment of the brokerage of entrustment of Commodity Clearing Transactions when the Broker Participant is a Non-Clearing Participant. In this case, the terms "Customer," "Intermediaries," "Customer of Intermediaries," and "Intermediation Margin," shall be deemed to be replaced with "Customer of Non-Clearing Participant," "Clearing Intermediaries," "Customer of Clearing Intermediaries," and "Clearing Brokerage Margin," respectively.

(Interpretation of the Rules)

Article 39. If any doubts concerning the interpretation of these rules arise, their interpretation shall be determined by the President and CEO, after resolution by the board of directors.

## **Chapter 8 Special Provisions for Commodity Markets**

### Section 1 Special Provisions for the Agricultural Market (Soybeans and Azuki Beans)

(Restrictions on Settlement by Delivery for Customers)

Article 39-2. Cases when sellers may settle by the delivery of soybeans and azuki beans shall be restricted to cases when a business issuer of qualified invoices (referring to a business issuer of qualified invoices as set forth in Article 2, paragraph 1, item 7-2 of the Consumption Tax Act (Act No. 108 of 1988); hereinafter, the same applies) performs the settlement by delivery as part of its business operations.

(Special Provisions for the Settlement by Delivery of Soybeans and Azuki Beans)

Article 39-3. If a customer intends to settle a transaction for soybeans or azuki beans by delivery, he or she shall do so in accordance with the provisions of this article, the provisions of Article 16 and Article 21 notwithstanding.

2. A customer shall place with the Broker Participant any warehouse receipts, etc., (warehouse receipts together with the name or trade name of the customer and his or her registration number (referring to the registration number as provided for in Article 57-2, paragraph 4 of the Consumption Tax Act; hereinafter, the same applies); hereinafter, the same applies in this article) pertaining to a sale that he or she intends to settle by delivery, when he or she is a seller, and the Total Trading Value pertaining to a purchase that he or she intends to settle by delivery, when he or she is a buyer, and provide notification thereof, by no later than 4:00 p.m. on the business day before the Last Trading Day of the current contract month. In such cases, a customer who is a buyer shall place with the Broker Participant an amount equivalent to consumption taxes pertaining to the delivery charge for the purchase, by no later than 4:00 p.m. on the business day before the Delivery Day of the current contract month.
3. The provisions of the first part of the preceding paragraph notwithstanding, a customer whom the Broker Participant has deemed appropriate may place with the Broker Participant any warehouse receipts, etc., pertaining to a sale when he or she is a seller, and the Total Trading Value pertaining to a purchase when he or she is a buyer, and provide notification thereof, by the date and time specified by the Broker Participant.
4. In the event that a customer does not place the warehouse receipts, etc., or the Total Trading Value, or provide notification, by the date and time described in Paragraph 2 (or the preceding paragraph, when the Customer has been deemed appropriate by the Broker Participant), the Broker Participant shall dispose of the positions by resale or repurchase on the Customer's account during a trading session on or after that date and time (or, in cases where the Customer gave instructions for settlement by delivery on the date of instruction in accordance with the provisions of Article 15, Paragraph 4, and the Customer fails to place the warehouse receipts, etc., or Total Trading Volume, or provide notification, by the date and time determined by the Broker Participant, from the relevant date and time). In such cases, when disposing of these transactions by resale, the Broker Participant shall be deemed to have received an instruction to perform the resale at the lowest limit price as specified in Article 33, Paragraph 2 or Paragraph 3 of the Market Rules, and when disposing of these transactions by repurchase, the Broker Participant shall be deemed to have received an instruction to perform the repurchase at the highest limit price as specified in each of the same.
5. If delivery on the Exchange is completed in relation to the settlement by delivery of an entrusted

transaction for soybeans or azuki beans, the Broker Participant must, without delay, deliver to the customer who is a seller the delivery charge and the amount equivalent to consumption taxes pertaining to the delivery charge, together with a settlement note (referring to a settlement note as provided for in Article 53-2, Paragraph 2 and Article 58-2, Paragraph 2 of the Market Rules; the same applies in Paragraph 11 and Paragraph 12), or deliver to the customer who is a buyer the warehouse receipts received from the Exchange and a qualified invoice (referring to a qualified invoice as provided for in Article 53-2, Paragraph 1 and Article 58-2, Paragraph 1 of the Market Rules; the same applies in Paragraph 12). In such cases, if a customer who is a buyer consists of two (2) or more persons and the details of the warehouse receipts received from the Exchange differ, they must be allocated fairly, by drawing of lots or other method.

6. When an entrusted transaction is settled by delivery in accordance with the provisions of the preceding paragraph, the Broker Participant shall notify the Customer of the following matters in writing without delay.

- (1) Type of Trade;
- (2) Type and kind of the Listed Commodity Component Products;
- (3) Contract month;
- (4) Date of buy or sell;
- (5) Quantity;
- (6) Warehouse name;
- (7) Warehouse receipt number;
- (8) Execution price of the executed transaction;
- (9) Grade differential;
- (10) Delivery charge;
- (11) Delivery price and consumption tax applicable to the delivery charge;
- (12) Any miscellaneous expenses;
- (13) Entrustment Fee on new buy or sell orders and Entrustment Fee on delivery;
- (14) Net amount of payment and receipt.

7. The provisions of the proviso to Article 220, paragraph 1 and the provisions of Article 220-4 of the Act shall apply mutatis mutandis to notices as described in the preceding paragraph.

8. The provisions of Article 18, Paragraphs 6 and 7 shall apply mutatis mutandis to the written notices as provided for in paragraph 6.

9. In cases when a customer ceases to be a business issuer of qualified invoices after notification of the registration number provided for in Paragraph 2 or Paragraph 3 and before the completion of delivery, the customer shall promptly notify the Broker Participant to that effect.

10. In cases when a customer who provides notification of his or her registration number provided for in Paragraph 2 or Paragraph 3 ceases to be a business issuer of qualified invoices, and the settlement by delivery corresponding to the notification of the registration number in Paragraph 2 or Paragraph 3 is incomplete, the notification shall be deemed not to have been provided.

11. When JSCC deems that an accident has occurred to the delivering materials and a discounted amount therefor has been transferred, pursuant to the provisions of Article 8, Paragraph 4, or Article 20, Item (1) or Item (3) of the Rules on Handling concerning Settlement by Delivery related to Products Listed on Osaka Dojima Exchange, or when it deems that the delivering

materials have not been provided pursuant to the provisions of Item (4) of the same article, if the Broker Participant has received a settlement note or qualified refund invoice (referring to a qualified refund invoice as provided for in Article 53-2, Paragraph 4 or Article 58-2, Paragraph 4 of the Market Rules; hereinafter, the same applies in this and the following paragraph), the Broker Participant shall deliver the settlement note to the seller and the qualified refund invoice to the buyer.

12. A Broker Participant may, in lieu of the delivery of a qualified invoice, qualified refund invoice, or settlement note, provide electronic or magnetic records pertaining to the matters that should be included in these documents (referring to electronic or magnetic records as provided for in Article 30, paragraph 9 of the Consumption Tax Act; the same applies in Article 47, Paragraph 11).
13. In addition to the cases provided for in each of the preceding paragraphs, the Market Rules, Enforcement Rules on Delivery, and Business Rules shall apply mutatis mutandis to matters necessary for the delivery of soybeans and azuki beans.

## Section 2 Special Provisions for the Agricultural Market (Corn) and the Sugar Market (Raw Sugar)

(Special Provisions for the Settlement by Delivery of Corn and Raw Sugar)

Article 40. If a customer intends to settle a transaction for corn or raw sugar by delivery, he or she shall do so in accordance with the provisions of this article, the provisions of Article 16 and Article 21 notwithstanding.

2. A customer shall place the Transaction Delivery Margin set forth by JSCC with the Broker Participant by no later than 3:00 p.m. on the day determined for delivery. In such cases, the provisions of Article 7 shall be applied mutatis mutandis to the Transaction Delivery Margin.
3. If, after the placement of the Transaction Delivery Margin as described in the preceding paragraph, JSCC changes the standard amount, the Customers who are sellers and buyers, or one of these, shall deliver the additional Transaction Delivery Margin pursuant to a request from the Broker Participant.
4. A Broker Participant may keep the Transaction Delivery Margin delivery in accordance with the provisions of the preceding two paragraphs until the day the adjustment of the delivery charge, etc., is completed.
5. A customer shall place with the Broker Participant any delivery documents pertaining to a sale that he or she intends to settle by delivery, when he or she is a seller, and the Total Trading Value pertaining to a purchase that he or she intends to settle by delivery, when he or she is a buyer, by no later than 4:00 p.m. on the business day before the delivery day.
6. The provisions of the preceding paragraph notwithstanding, a customer whom the Broker Participant has deemed appropriate may place with the Broker Participant any delivery documents pertaining to a sale when he or she is a seller, and the Total Trading Value pertaining to a purchase when he or she is a buyer, by the date and time specified by the Broker Participant.
7. If delivery on the Exchange is completed in relation to the settlement by delivery of an entrusted

transaction for corn or raw sugar, the Broker Participant must, without delay, deliver to a customer who is a seller the delivery charge, or deliver to a customer who is a buyer the delivery documents received from the Exchange.

8. When an entrusted transaction is settled by delivery in accordance with the provisions of the preceding paragraph, the Broker Participant shall notify the Customer of the following matters in writing without delay.

- (1) Type of Trade;
- (2) Type of Listed Commodity Component Products (the country of origin for corn, and the country of origin and fiscal year of production for raw sugar);
- (3) Contract month;
- (4) Date of buy or sell;
- (5) Quantity;
- (6) Name of the ship of loading;
- (7) Date of departure from port (the date of entry to port for raw sugar);
- (8) Port of unloading and wharf name;
- (9) Execution price of the executed transaction;
- (10) Grade differential;
- (11) Delivery charge;
- (12) Delivery price;
- (13) Any miscellaneous expenses;
- (14) Entrustment Fee on new buy or sell orders and Entrustment Fee on delivery;
- (15) Net amount of payment and receipt.

9. The provisions of the proviso to Article 220, paragraph 1 and the provisions of Article 220-4 of the Act shall apply mutatis mutandis to notices as described in the preceding paragraph.

10. The provisions of Article 18, Paragraphs 6 and 7 shall apply mutatis mutandis to written notices as provided for in paragraph 8.

11. In addition to the cases provided for in each of the preceding paragraphs, the Market Rules, Enforcement Rules on Delivery, and Business Rules shall apply mutatis mutandis to matters necessary for the delivery of corn and raw sugar.

### Section 3 Special Provisions for the Agricultural Market (Rice (Niigata Koshihikari, Akita Akitakomachi, and Miyagi Hitomebore))

(Special Provisions for the Settlement by Delivery of Rice (Niigata Koshihikari, Akita Akitakomachi, and Miyagi Hitomebore))

Article 41. If a customer intends to settle a transaction for rice (limited to Niigata Koshihikari, Akita Akitakomachi, or Miyagi Hitomebore, as provided for in Article 11, Paragraph 2, Item (4) of the Market Rules; hereinafter, the same applies in this article) by delivery, he or she shall do so in accordance with the provisions of this article, the provisions of Article 16 and Article 21 notwithstanding.

2. A customer shall place with the Broker Participant any Delivery Orders and Inventory Certificates separately specified by the Exchange pertaining to a sale that he or she intends to

settle by delivery, when he or she is a seller, and the Total Trading Value pertaining to a purchase that he or she intends to settle by delivery, when he or she is a buyer, by no later than 4:00 p.m. on the business day before the Last Trading Day of the current contract month. In such cases, a customer who is a buyer shall place with the Broker Participant an amount equivalent to consumption taxes pertaining to the delivery charge for the purchase, by no later than 4:00 p.m. on the business day before the Delivery Day of the current contract month.

3. The provisions of the preceding paragraph notwithstanding, a customer whom the Broker Participant has deemed appropriate may place with the Broker Participant any Delivery Orders and Inventory Certificates separately specified by the Exchange pertaining to a sale when he or she is a seller, and the Total Trading Value pertaining to a purchase when he or she is a buyer, by the date and time specified by the Broker Participant.
4. When a customer does not deliver the Delivery Orders and Inventory Certificates separately specified by the Exchange or the Total Trading Value by the date and time described in Paragraph 2 (the preceding paragraph for Customers deemed appropriate by a Broker Participant), a Broker Participant shall dispose of the transactions by resale or repurchase on the Customer's account during the trading session of the Last Trading Day of the current contract month. In such cases, when disposing of these transactions by resale, the Broker Participant shall be deemed to have received an instruction to perform the resale at the lowest limit price as specified in Article 33, Paragraph 2 or Paragraph 3 of the Market Rules, and when disposing of these transactions by repurchase, the Broker Participant shall be deemed to have received an instruction to perform the repurchase at the highest limit price as specified in each of the same.
5. If delivery on the Exchange is completed in relation to the settlement by delivery of an entrusted transaction for rice, the Broker Participant must, without delay, deliver to a customer who is a seller the delivery charge and an amount equivalent to consumption taxes pertaining to the delivery charge, or deliver to a customer who is a buyer the Delivery Orders and Inventory Certificates received from the Exchange.
6. When an entrusted transaction is settled by delivery in accordance with the provisions of the preceding paragraph, the Broker Participant shall notify the Customer of the following matters in writing without delay.
  - (1) Type of Trade;
  - (2) Kind of Listed Commodity Component Product;
  - (3) Contract month;
  - (4) Date of buy or sell;
  - (5) Quantity;
  - (6) Warehouse name;
  - (7) Execution price of the executed transaction;
  - (8) Grade differential;
  - (9) Delivery charge;
  - (10) Delivery price and consumption tax applicable to the delivery charge;
  - (11) Any miscellaneous expenses;
  - (12) Entrustment Fee on new buy or sell orders and Entrustment Fee on delivery;

- (13) Net amount of payment and receipt.
7. The provisions of the proviso to Article 220, paragraph 1 and the provisions of Article 220-4 of the Act shall apply mutatis mutandis to notices as described in the preceding paragraph.
  8. The provisions of Article 18, Paragraphs 6 and 7 shall apply mutatis mutandis to written notices as provided for in paragraph 6.
  9. In addition to the cases provided for in each of the preceding paragraphs, the Market Rules, Enforcement Rules on Delivery, and Business Rules shall apply mutatis mutandis to matters necessary for the delivery of rice.
  10. The provisions of each of the preceding paragraphs, excluding Paragraph 4, shall apply mutatis mutandis in cases where there is an intention to settle a transaction pertaining to rice, by mutually agreed early delivery, as set forth by JSCC in the Rules on Handling concerning Settlement by Delivery related to Products Listed on Osaka Dojima Exchange Rules on Handling concerning Settlement by Delivery related to Products Listed on Osaka Dojima Exchange on Osaka Dojima Exchange. In such cases, "Last Trading Day of the current contract month" and "delivery day of the current contract month" shall be deemed to be replaced with "delivery day," and "Delivery Orders and Inventory Certificates" shall be deemed to be replaced with "agreed-upon delivery documents."

#### Section 4 Special Provisions for the Agricultural Market (Rice (Niigata Koshihikari EXW))

##### (Restrictions on Settlement by Delivery for Customers)

Article 41-2. Cases when sellers may settle by the delivery of Niigata Koshihikari EXW shall be restricted to cases when a business issuer of qualified invoices performs the settlement by delivery as part of its business operations.

##### (Buyers' Pledge Pertaining to Export)

Article 42. When intending to settle a transaction for rice (limited to Niigata Koshihikari EXW provided for in Article 11, Paragraph 2, Item (4) of the Market Rules; hereinafter, the same applies in this section) by delivery, a customer who is a buyer that has accepted delivered materials certified as New Demand Rice in accordance with the procedures set forth in the Guidelines Related to the Promotion of the Production and Sales of Rice in Accordance with Demand (Notification of the Director of the Production Office, Ministry of Agriculture, Forestry and Fisheries, 25-Production, No. 3578, dated April 1, 2014; hereinafter, referred to as the "Ministry of Agriculture, Forestry and Fisheries Guidelines" in this section) must submit a pledge related to the fact that he or she will export the received delivered materials themselves, in the format specified by the Exchange, each time an order is submitted (excluding cases when registration continues from the following business day, if the effectiveness of registration pertaining to the order is lost at the end of the session).

2. The pledge described in the preceding paragraph must be submitted to the Exchange through a Broker Participant.

(Notification Pertaining to New Demand Rice, etc.)

Article 43. A customer who has submitted a New Demand Rice Initiative Plan to the Director of the Hokuriku Regional Agricultural Administration Office of the Ministry of Agriculture, Forestry and Fisheries (the "Regional Agricultural Administration Office Director") in accordance with the procedures set forth in the Ministry of Agriculture, Forestry and Fisheries Guidelines in relation to unsettled positions for rice must submit written proof of that fact to the Exchange, without delay.

2. The provisions of Paragraph 2 of the preceding article shall apply mutatis mutandis to notifications described in the preceding paragraph.
3. Customers who have submitted a New Demand Rice Initiative Plan as provided for in Paragraph 1 and who have also received certification for New Demand Rice must submit a form and documents (including the names of users) to the Regional Agricultural Administration Office Director after the last session of the current contract month, in accordance with the procedures set forth in the Ministry of Agriculture, Forestry and Fisheries Guidelines.
4. Customers that are buyers who have received deliverable materials with New Demand Rice certification must submit a form and documents (including the names of producers) to the Regional Agricultural Administration Office Director, in accordance with the procedures set forth in the Ministry of Agriculture, Forestry and Fisheries Guidelines.
5. Customers that are buyers who have received deliverable materials with New Demand Rice certification must submit a trade report and trade statement to the Customer who is the seller, as determined by the Exchange, after the last session of the current contract month, pursuant to Form 4-5-2 in the attachments to the Ministry of Agriculture, Forestry and Fisheries Guidelines and these Brokerage Contract Rules.

(Restrictions on Transactions)

Article 44. Customers who have submitted a New Demand Rice Initiative Plan as provided for in Paragraph 1 of the preceding article must not complete the transaction by repurchase.

2. Trading Participants must not hold both short and long positions on their own account or those of the same Customer for the current contract month.

(Prohibition of Entrustment, etc., by Persons Violating the Pledge)

Article 45. A customer who violates a pledge as described in Article 42, Paragraph 1 may not perform any subsequent entrustment related to rice (including the brokerage of the entrustment of transactions).

(Special Provisions for Notification of Execution of Transactions)

Article 46. In addition to notification upon the execution of a transaction as described in Article 19, after the last session of the current contract month, a Broker Participant must notify Customers who are a seller of products that have received certification for New Demand Rice of the names of Customers who are buyers that will receive the delivered materials certified as New Demand Rice.

2. If, after the last session of the current contract month, delivered materials that will be received



by a customer who is a buyer have received certification as New Demand Rice, a Broker Participant must notify the buyer to that effect, and must also provide notification concerning the content of the provisions of Article 43, Paragraphs 4 and 5.

(Special Provisions for the Settlement by Delivery of Rice (Niigata Koshihikari EXW))

Article 47. If a customer intends to settle a transaction for rice (limited to Niigata Koshihikari EXW as provided for in Article 11, Paragraph 2, Item (4) of the Market Rules; hereinafter, the same applies in this article) by delivery, he or she shall do so in accordance with the provisions of this article, the provisions of Article 16 and Article 21 notwithstanding.

2. A customer shall place with the Broker Participant any delivery orders and inventory certificates separately specified by the Exchange, together with the name or trade name of the customer and his or her registration number (hereinafter, collectively referred to as the "delivery orders, etc." in this article) pertaining to a sale that he or she intends to settle by delivery, when he or she is a seller, and the Total Trading Value pertaining to a purchase that he or she intends to settle by delivery, when he or she is a buyer, and provide notification thereof, by no later than 4:00 p.m. on the business day before the Last Trading Day of the current contract month. In such cases, a customer who is a buyer shall place with the Broker Participant an amount equivalent to consumption taxes pertaining to the delivery charge for the purchase, by no later than 4:00 p.m. on the business day before the Delivery Day of the current contract month.
3. The provisions of the preceding paragraph notwithstanding, a customer whom the Broker Participant has deemed appropriate may place with the Broker Participant any delivery orders, etc., pertaining to a sale when he or she is a seller, and the Total Trading Value pertaining to a purchase when he or she is a buyer, and provide notification thereof, by the date and time specified by the Broker Participant.
4. If delivery on the Exchange is completed in relation to the settlement by delivery of an entrusted transaction for rice, the Broker Participant must, without delay, deliver to the customer who is a seller the delivery charge and the amount equivalent to consumption taxes pertaining to the delivery charge, together with a settlement note (referring to a settlement note as provided for in Article 68-2, Paragraph 2 of the Market Rules; the same applies in Paragraph 10 and Paragraph 11), or deliver to the customer who is a buyer any delivery orders and inventory certificates received from the Exchange, together with a qualified invoice (referring to a qualified invoice as provided for in Article 68-2, Paragraph 1 of the Market Rules; the same applies in Paragraph 11).
5. When an entrusted transaction is settled by delivery in accordance with the provisions of the preceding paragraph, the Broker Participant shall notify the Customer of the following matters in writing without delay.
  - (1) Type of Trade;
  - (2) Kind of Listed Commodity Component Product;
  - (3) Contract month;
  - (4) Date of buy or sell;
  - (5) Quantity;
  - (6) Warehouse name;

- (7) Execution price of the executed transaction;
  - (8) Grade differential;
  - (9) Delivery charge;
  - (10) Delivery price and consumption tax applicable to the delivery charge;
  - (11) Any miscellaneous expenses;
  - (12) Entrustment Fee on new buy or sell orders and Entrustment Fee on delivery;
  - (13) Net amount of payment and receipt.
6. The provisions of the proviso to Article 220, paragraph 1 and the provisions of Article 220-4 of the Act shall apply mutatis mutandis to notices as described in the preceding paragraph.
7. The provisions of Article 18, Paragraphs 6 and 7 shall apply mutatis mutandis to the written notices as provided for in Paragraph 5.
8. In cases when a customer ceases to be a business issuer of qualified invoices after notification of the registration number provided for in Paragraph 2 or Paragraph 3 and before the completion of delivery, the customer shall promptly notify the Broker Participant to that effect.
9. In cases when a customer who provides notification of his or her registration number provided for in Paragraph 2 or Paragraph 3 ceases to be a business issuer of qualified invoices, and the settlement by delivery corresponding to the notification of the registration number in Paragraph 2 or Paragraph 3 is incomplete, the notification shall be deemed not to have been provided.
10. When JSCC deems that an accident has occurred to the delivering materials and a discounted amount therefor has been transferred, pursuant to the provisions of Article 49, Item (1) and Item (3), as well as Item (4), of the Rules on Handling concerning Settlement by Delivery related to Products Listed on Osaka Dojima Exchange, or when it deems that the delivering materials have not been provided, if the Broker Participant has received a settlement note or a qualified refund invoice (referring to a qualified refund invoice as provided for in Article 68-2, Paragraph 4 of the Market Rules; hereinafter, the same applies in this and the following paragraph), the Broker Participant shall deliver the settlement note to the seller and the qualified refund invoice to the buyer.
11. A Broker Participant may, in lieu of the delivery of a qualified invoice, qualified refund invoice, or settlement note, provide electronic or magnetic records pertaining to the matters that should be included in these documents.
12. In addition to the cases provided for in each of the preceding paragraphs, the Market Rules, Enforcement Rules on Delivery, and Business Rules shall apply mutatis mutandis to matters necessary for the delivery of rice.

#### Section 5 Special Provisions for Cash-settled Rolling Spot Futures Transactions

(Treatment When Cash-settled Rolling Spot Futures Transactions are not Resold or Repurchased)

Article 47-2. When the resale or repurchase of entrusted Cash-settled Rolling Spot Futures Transactions is not performed in a clearing period where unsettled positions exist (referring to a clearing period set forth by JSCC; hereinafter, the same applies), any unsettled positions for which the relevant clearing period is the contract term shall be eliminated immediately prior to

the clearing period following the relevant clearing period, and at the same time, unsettled positions with the same content as the eliminated unsettled positions shall be newly created (for Cash-settled Rolling Spot Futures Transactions, this shall be the clearing period immediately following the relevant clearing period).

## **Chapter 9 Special Provisions for Give-ups**

(Give-up)

Article 48. Give-up refers to the replacement of all or some of trade agreements by another Broker Participant (hereinafter, referred to as a “Carrying Broker Participant” in this chapter) or another Trading Participant (hereinafter, referred to as a “Carrying Trading Participant” in this chapter) after the said trade agreement has been executed by entrustment to the Broker Participant who will execute the trading order (hereinafter, referred to as the “Carrying Broker Participant” in this chapter), or the trade agreement has been executed on the proprietary account of a Trading Participant (referring to a Broker Participant, Marketplace Participant as set forth in Article 94, Item (1) of the Market Rules, or Remote Marketplace Participant as set forth in Item (3) of the same article; hereinafter, referred to as the “Execute Trading Participant” in this chapter).

(Give-up Requirements)

- Article 49. A customer intending to entrust transactions pertaining to give-ups may do so provided that he or she has obtained the approval of the Execute Broker Participant (hereinafter, referred to as the “Take-up Notification”), if the requirements separately determined by the Exchange are satisfied and approval has been obtained from the Exchange in advance.
2. A customer intending to entrust transactions pertaining to give-up shall conclude Commodity Transaction Agreements separately with the Carrying Broker Participant and the Execute Broker Participant, pursuant to Article 4, Paragraph 1 and place or deposit Clearing Margins with the Execute Broker Participant.
  3. In cases where trade agreements pertaining to give-ups executed by entrustment to the Carrying Broker Participant have been voided upon the acceptance by the Exchange of the Take-up Notification from the Execute Broker Participant, the entrustment between the Customer and the Carrying Broker Participant pertaining to the trade agreements shall be terminated and a new entrustment between the Customer and the Execute Broker Participant pertaining to the trade agreements newly arising from the give-up shall simultaneously take effect.
  4. Trades arising from give-up shall be deemed to be trades arising from transactions entrusted by the customer to the Execute Broker Participant.

(Requirements for Give-up of Proprietary Transactions of Trading Participant)

Article 50. The provisions of the previous article notwithstanding, in cases where a Carrying Trading Participant intends to give-up trade agreements executed on its own account to the Execute Broker Participant entrusted by the Carrying Trading Participant, or an Execute

Trading Participant intends to give-up trade agreements arising from entrustment to a Carrying Trading Participant as trade agreements on the Execute Trading Participant's own account, it may be done if there is a Take-up Notification from the Execute Broker Participant or Execute Trading Participant.

2. A Carrying Trading Participant intending to entrust transactions pertaining to give-up shall place or deposit Clearing Margins with the Execute Broker Participant.
3. In cases where trade agreements executed on the Carrying Trading Participant's own account have been voided upon the acceptance by the Exchange of the Take-up Notification from the Execute Broker Participant, an entrustment between the Carrying Trading Participant and the Execute Broker Participant shall be newly executed in relation to the newly occurring trade agreements. In such cases, trade agreements arising from the give-up shall be deemed to be trade agreements arising from entrustment by the Carrying Trading Participant to the Execute Broker Participant.
4. In cases where trade agreements that arose from entrustment from an Execute Trading Participant to a Carrying Broker Participant have been voided upon the acceptance by the Exchange of the Take-up Notification received from the Execute Trading Participant, the entrustment between the Execute Trading Participant and the Carrying Broker Participant pertaining to the trade agreements shall be terminated.
5. The provisions of each of the preceding paragraphs shall apply mutatis mutandis to the relationship between Intermediaries, etc. (referring to Intermediaries and Foreign Commodity Derivatives Business Operator; hereinafter, the same applies) and a Trading Participant who entrusted or requested the brokerage of entrustment to the Intermediaries, etc.

(Conclusion of Give-up Agreement)

Article 51. In cases where a customer of the Carrying Broker Participant or Execute Broker Participant, or a Customer of Intermediaries of a Carrying Intermediary (referring to Intermediaries of a Carrying Broker Participant; hereinafter, the same applies) or Execute Intermediary (referring to Intermediaries of an Execute Broker Participant; hereinafter, the same applies) intends to entrust a transaction or entrust the brokerage of the entrustment of a transaction pertaining to a give-up, the parties listed in each of the following Items shall conclude a tri-party agreement pertaining to the give-up.

- (1) Where the Customer of the Carrying Broker Participant intends to entrust a transaction to the Execute Broker Participant, the Carrying Broker Participant, the Execute Broker Participant, and the Customer;
- (2) Where the Customer of the Carrying Broker Participant intends to entrust the brokerage of the entrustment of a transaction with the Execute Intermediary, the Carrying Broker Participant, the Execute Intermediary, and the Customer;
- (3) Where the Customer of the Carrying Broker Participant intends to make a request to the Execute Foreign Commodity Derivatives Business Operator (referring to a Foreign Commodity Derivatives Business Operator who is the Customer of an Execute Broker Participant or the Customer of an Execute Intermediary; hereinafter, the same applies) for the brokerage of the entrustment of a transaction or the brokerage of the entrustment of the

- brokerage of the entrustment of a transaction, the Carrying Broker Participant, the Execute Foreign Commodity Derivatives Business Operator, and the Customer;
- (4) Where the Customer of the Carrying Intermediary intends to entrust a transaction to the Execute Broker Participant, the Carrying Intermediary, the Execute Broker Participant, and the Customer of Intermediaries;
  - (5) Where the Customer of the Carrying Intermediary intends to entrust the brokerage of the entrustment of the transaction to the Execute Intermediary, the Carrying Intermediary, the Execute Intermediary, and the Customer of Intermediaries;
  - (6) Where the Customer of the Carrying Intermediary intends to make a request to the Execute Foreign Commodity Derivatives Business Operator for the brokerage of the entrustment of a transaction or the brokerage of the entrustment of the brokerage of the entrustment of a transaction, the Carrying Intermediary, the Execute Foreign Commodity Derivatives Business Operator, and the Customer of Intermediaries;
  - (7) Where the Customer of the Execute Broker Participant intends to make a request to the Carrying Foreign Commodity Derivatives Business Operator (referring to a Foreign Commodity Derivatives Business Operator who is the Customer of a Carrying Broker Participant or the Customer of a Carrying Intermediary; hereinafter, the same applies) for the brokerage of the entrustment of a transaction or the brokerage of the entrustment of the brokerage of the entrustment of a transaction, the Carrying Foreign Commodity Derivatives Business Operator, the Execute Broker Participant, and the Customer;
  - (8) Where the Customer of the Execute Intermediary intends to make a request to the Carrying Foreign Commodity Derivatives Business Operator for the brokerage of the entrustment of a transaction or the brokerage of the entrustment of the brokerage of the entrustment of a transaction, the Carrying Foreign Commodity Derivatives Business Operator, the Execute Intermediary, and the Customer of Intermediaries;
  - (9) Where the Customer of the Carrying Broker Participant intends to make a request for a transaction to a Foreign Commodity Derivatives Business Operator, and the Foreign Commodity Derivatives Business Operator conducts the transaction through another Foreign Commodity Derivatives Business Operator, the Carrying Broker Participant, the Foreign Commodity Derivatives Business Operator, and the Customer;
  - (10) Where the Customer of the Carrying Intermediary intends to make a request for a transaction to a Foreign Commodity Derivatives Business Operator, and the Foreign Commodity Derivatives Business Operator conducts the transaction through another Foreign Commodity Derivatives Business Operator, the Carrying Intermediary, the Foreign Commodity Derivatives Business Operator, and the Customer of Intermediaries;
  - (11) Where the Customer of the Execute Broker Participant intends to make a request for a transaction to a Foreign Commodity Derivatives Business Operator, and the Foreign Commodity Derivatives Business Operator conducts the transaction through another Foreign Commodity Derivatives Business Operator, the Execute Broker Participant, the Foreign Commodity Derivatives Business Operator, and the Customer;
  - (12) Where the Customer of the Execute Intermediary intends to make a request for a transaction to a Foreign Commodity Derivatives Business Operator, and the Foreign

Commodity Derivatives Business Operator conducts the transaction through another Foreign Commodity Derivatives Business Operator, the Execute Intermediary, the Foreign Commodity Derivatives Business Operator, and the Customer of Intermediaries.

2. The provisions of the preceding paragraph notwithstanding, in cases where a Trading Participant who is a customer or Customer of Intermediaries, etc. (referring to persons entrusting or making requests for the brokerage of the entrustment of transactions to Intermediaries, etc.) intends to entrust a transaction, or entrust the brokerage of the entrustment of a transaction, or request the brokerage of the entrustment of a transaction, or request the brokerage of the entrustment of the brokerage of the entrustment of a transaction pertaining to a give-up on its own account, the parties listed in each of the following items shall conclude a two-party agreement pertaining to the give-up.

(1) the Carrying Broker Participant and the Execute Trading Participant;

(2) the Carrying Intermediary and the Execute Trading Participant;

(3) the Carrying Foreign Commodity Derivatives Business Operator and the Execute Trading Participant;

(4) the Execute Broker Participant and the Carrying Trading Participant;

(5) the Execute Intermediary and the Carrying Trading Participant;

(6) the Execute Foreign Commodity Derivatives Business Operator and the Carrying Trading Participant.

3. When an agreement provided for in the preceding two paragraphs is concluded, the agreement must determine the matters listed in each of the following items.

(1) The amount of Entrustment Fee, the party responsible for the collection thereof, and the method of collection;

(2) Matters concerning measures in cases in which no Take-up Notification is issued;

(3) Matters concerning the reporting of the details of transactions pertaining to give-ups.

(Instructions for Entrustment of Transactions Pertaining to Give-up)

Article 52. Each time a customer intends to entrust a transaction pertaining to a give-up pursuant to the provisions of Article 49, the Customer shall provide the Carrying Broker Participant with instructions on the matters set forth in each of the following items, in addition to the matters set forth in each item of Article 6, Paragraph 1.

(1) The fact that the said transaction pertains to a give-up;

(2) Name or Trade Name of the Execute Broker Participant.

2. The provisions of the preceding paragraph notwithstanding, if the Customer has agreed with the Carrying Broker Participant the cut-off time for the instructions provided for in the preceding paragraph, the Customer shall provide the Carrying Broker Participant with the instructions on the matters set forth in each item of the preceding paragraph by the cut-off time (provided, however, that it is before 4:00 p.m.) on the date that the trade agreement is executed.

3. The provisions of the preceding two paragraphs shall apply mutatis mutandis to instructions required for the entrustment and/or request for the brokerage of the entrustment of transactions pertaining to a give-up on the proprietary account of an Execute Trading Participant pursuant to Article 50. In such cases, the terms "Customer" and "Carrying Broker Participant" shall be

deemed to be replaced with “Execute Trading Participant” and “Broker Participant or Intermediaries, etc., in the give-up,” respectively.

(Special Provision for the Give-up of Remote Broker Trading Participants)

Article 52-2. The provisions of Articles 48 through the previous Article shall apply to Remote Broker Trading Participants and Overseas Customers, as provided for in the Market Rules of the Exchange.

2. The Exchange shall provide necessary instruction in the following cases.

- (1) Where the Overseas Customer intends to transfer trade agreements executed by making requests for transactions to the Remote Broker Trading Participants to the Execute Broker Participant;
- (2) Where a customer that is a non-resident intends to transfer trade agreements executed by entrustment to the Carrying Broker Participant to the Remote Broker Trading Participants;
- (3) Where the Remote Broker Trading Participant intends to transfer trade agreements executed on its own account to an Execute Broker Participant entrusted by the Remote Broker Trading Participants;
- (4) Where the Remote Broker Trading Participants intend to replace trade agreements executed by entrustment to the Carrying Broker Participant as trade agreements on the proprietary account of the Remote Broker Trading Participants.

### **Chapter 10 Special Provisions for EFP Transactions**

(Entrustment of Transactions in the Form of EFP Transactions)

Article 53. If a customer entrusts transactions as EFP transactions as set forth in the Market Rules, he or she shall provide instructions to that effect to a Broker Participant. In such cases, only transactions that have been approved by the Exchange shall be executed.

2. When entrusting transactions as described in the preceding paragraph, the Customer shall submit to the Broker Participant, by the date and time specified by the Broker Participant, a copy of the written trade agreement for the physically delivered transaction containing the matters separately specified by the Exchange (including any Listed Commodity Component Products and exchangeable physically delivered commodity ETFs separately specified by the Exchange; hereinafter, the same applies).
3. A customer who receives a request from a Broker Participant to submit documents, etc., related to EFP transactions, pursuant to the instructions of the Exchange, must respond to the request.
4. In addition to cases provided for in the preceding three paragraphs, the Market Rules shall apply mutatis mutandis to matters necessary for EFP transactions.

### **Chapter 11 Special Provisions for Off-floor Transactions**

(Entrustment of Transactions in the Form of Off-floor Transaction)

Article 54. If a customer entrusts transactions as off-floor transactions as set forth in the Market Rules, he or she shall provide instructions to that effect to a Broker Participant. In such cases,

- only transactions that have been approved by the Exchange shall be executed.
2. When entrusting transactions as described in the preceding paragraph, a customer shall notify the Broker Participant of the matters specified by the Broker Participant by the date and time specified by the Broker Participant.
  3. A customer who receives a request from a Broker Participant to submit documents, etc., pertaining to an off-floor transaction, pursuant to the instructions of the Exchange, must respond to the request.
  4. In addition to cases provided for in the preceding three paragraphs, the Market Rules shall apply mutatis mutandis to matters necessary for off-floor transactions.

## **Chapter 12 Special Provisions for Transactions Through the Direct Market Access Method**

(Requirements of Transactions Through the Direct Market Access Method)

Article 55. When a Direct Market Accessor (referring to a Direct Market Accessor as set forth in the Market Rules; hereinafter, the same applies in this article and the following article) intends to conduct a transaction by the Direct Market Access Method (referring to the Direct Market Access Method as set forth in the Market Rules; hereinafter, the same applies in this article and the following article), he or she must conclude an agreement concerning the matters set forth in each of the following items with the Broker Participant receiving the Direct Market Access Method and the Intermediaries entrusted with the brokerage of the entrustment of transactions by the relevant Direct Market Accessor.

- (1) Matters related to the delegation by the Broker Participant, concerning the act of inputting trade orders via the trading terminal of the Direct Market Accessor and other acts incidental to these transactions;
- (2) Matters related to the management and operation of the trading terminal of the Direct Market Accessor.

(Compliance Requirements for Direct Market Accessors, etc.)

Article 56. Direct Market Accessors must not allow the use by a third party of the trading terminal of the Direct Market Accessor provided for transactions by the Direct Market Access Method.

2. Direct Market Accessors must create the systems, etc., set forth by the Exchange in the Enforcement Rules on Direct Market Access when entrusting transactions or entrusting the brokerage of the entrustment of transactions via the Direct Market Access Method.
3. Direct Market Accessors must respond to any request from the Exchange, a Broker Participant, or Intermediaries for an explanation or the submission of documents, etc., concerning the trading terminals provided for the Direct Market Access Method, the systems, etc., provided for in the preceding paragraph, and other matters related to transactions via the Direct Market Access Method.
4. In addition to the provisions of the preceding three paragraphs, the Market Rules, each of the Enforcement Rules, etc., and agreements pursuant to the provisions of the preceding article shall apply mutatis mutandis to any necessary matters related to the entrustment of



transactions by the Direct Market Access Method or the entrustment of the brokerage of the entrustment of transactions.

5. Direct Market Accessors may not lodge any objection to measures, etc., pursuant to the provisions of each of the preceding paragraphs.

### **Chapter 13 Special Provisions for Conclusion of Commodity Transaction Agreement Following Specified Solicitation**

(Agreements Based on Specified Solicitation)

Article 57. This chapter provides special provisions applicable to Commodity Transaction Agreements executed after the Customer receives a solicitation, as provided for in Article 102-2, item (2) or (3) of the Ordinance.

2. Matters not set forth in this chapter shall be determined in accordance with the procedures set forth in Chapter 1 through the preceding chapter.

(Agreements Based on Solicitation to Customer of Another Company)

Article 58. A Commodity Transaction Agreement executed after the Customer receives a solicitation, as provided for in Article 102-2, item (2) of the Ordinance, from a Broker Participant or a Commodity Derivatives Intermediary Service Provider to which the Broker Participant has entrusted its services shall include the following content.

In cases where a Broker Participant or a Commodity Derivatives Intermediary Service Provider to which the Broker Participant has entrusted its services has concluded a Commodity Transaction Agreement and carried out a transaction in violation of the provisions of Article 102-2, item (2) (a) or (b) of the Ordinance or while knowing that the statements in the written declaration provided for in (b) of the same item differ from reality, the transaction shall be deemed to have been performed on the Broker Participant's own account.

(Agreements Based on Solicitation to Person Satisfying Certain Requirements)

Article 59. A Commodity Transaction Agreement executed after the Customer receives a solicitation, as provided for in Article 102-2, item (3) of the Ordinance, from a Broker Participant or a Commodity Derivatives Intermediary Service Provider to which the Broker Participant has entrusted its services shall include the content in each of the following items.

- (1) The fact that a Broker Participant or a Commodity Derivatives Intermediary Service Provider to which the Broker Participant has entrusted its services will not be able to make a solicitation for the entrustment of transactions for any transaction pertaining to the Commodity Transaction Agreement nor accept instructions from the Customer regarding the matters listed in Article 6 within 14 days of the day on which the Commodity Transaction Agreement was concluded;
- (2) The fact that the Broker Participant must establish an amount not more than one-third of the sum of the annual income and the amount of financial assets held by the Customer (the "Maximum Investment Amount") during the period from the day on which the Commodity Transaction Agreement is concluded until the transaction commencement date;

- (3) The fact that, from the day on which the Commodity Transaction Agreement is concluded until one (1) year from that date, the Broker Participant is prohibited from accepting the entrustment of transactions if the "Trading margin for customers component of the Deposited Margin (if the Mark-to-Market Profit or Loss Amount is negative, the amount after subtracting the Mark-to-Market Profit or Loss Amount from the "Trading margin for customers; hereinafter, the same applies in this item) will exceed the investable amount (referring to the amount calculated as the Maximum Investment Amount, less the total amount of Entrustment Fee (including Tentative Entrustment Fee), plus or minus the net Profit or Loss resulting from Liquidation (if this amount exceeds the Maximum Investment Amount, the Maximum Investment Amount); hereinafter, the same applies in this item) as a result, and if the "Trading margin for customers component of the Deposited Margin is greater than or equal to the investable amount when the Mark-to-Market Profit or Loss Amount is calculated, the Broker Participant shall promptly dispose of all entrusted transactions by resale or repurchase;
- (4) The fact that, if the Broker Participant falls under any of the following cases, the transactions shall be deemed to have been performed on the Broker Participant's own account.
- A. Where the Broker Participant itself or a Commodity Derivatives Intermediary Service Provider to which the Broker Participant has entrusted its services has concluded a Commodity Transaction Agreement and performed a transaction in violation of the provisions of Article 102-2, item (3) (a) or (b) of the Ordinance or the provisions of each of the preceding items of this article, or while knowing that the statements in the written declaration set forth in Article 102-2, item (3) (b) (1) through (3) of the Ordinance differ from reality;
- B. Where the Broker Participant has received instructions from the Customer that violate the provisions of Item (1) and carried out a transaction;
- C. Where the Broker Participant has accepted the entrustment of transactions or carried out a transaction without completing settlement in violation of the provisions of the preceding two items.

#### **Chapter 14 Special Provisions for Limited Loss Transactions**

(Special Provisions for Instructions, etc., in the Case of Entrustment of Limited Loss Transactions)

Article 60. In cases where a Broker Participant concludes with a customer an agreement related to Limited Loss Transactions (referring to transactions where there is no risk that the amount of loss that may be incurred by fluctuations, etc., on Commodity Markets will exceed the amount of "Trading margin for customers, etc. (referring to "Trading margin for customers and the margin determined by a Broker Participant as necessary for the transaction, and limited to that place in advance for the transaction; hereinafter, the same applies in this article)), the Broker Participant may accept the entrustment of transactions pursuant to the agreement without receiving the instructions for entrustment set forth in each item of Article 6, Paragraph 1.

2. A Broker Participant intending to conclude an agreement as set forth in the preceding paragraph with a customer must deliver to the Customer a document stating the matters listed in each of the following items.

(1) Contents of the Agreement on Limited Loss Transactions

A. The fact that, as a result of executing a Loss Cut Order as set forth in the Market Rules, there is a possibility that, depending on market conditions, an amount of loss equivalent to the Loss Cut Level set forth in the Market Rules or an amount of loss exceeding this amount may be incurred;

B. In case of placing a Loss Cut Order specified in the Market Rules, there is a possibility that, depending on the market conditions, such orders will not be executed. When there is no execution, Stop Loss transaction specified in the Market Rules shall be conducted.

(2) The fact that the amount of loss that may be incurred pursuant to the agreement shall be within the scope of the amount of "Trading margin for customers, etc.", but commissions will not be included in the amount of loss;

(3) Other conditions to agree.

3. If a Broker Participant has delivered a document pursuant to the provisions of the preceding paragraph, the Broker Participant shall provide an explanation on the matters set forth therein to the customer in a manner understandable to the customer.

4. When a Broker Participant concludes an agreement described in Paragraph 1 with a customer, the Broker Participant shall manage the Clearing Margin for transactions pursuant to the agreement separately from the Clearing Margins of other transactions.

5. The provisions of Article 3, Paragraph 5 and 6 shall apply mutatis mutandis to documents to be delivered as described in Paragraph 2.

**Chapter 15 Special Provisions for the Integrated Management of Margin for Commodity Futures Transactions and Financial Derivatives Transactions, etc.**

(Integrated Management of Margin by Specified Members)

Article 61. Broker Participants (limited to those who are Clearing Participants) who are Specified Members (referring to Specified Members as set forth in Article 4 of the Supplementary Provisions of the Act to Partially Amend the Financial Instruments and Exchange Act (Act No. 86 of 2012)) may engage in the integrated management of margins, etc. (referring to treatment as set forth separately by the Exchange) of Customers who have an account for transactions on the Commodity Markets of the Exchange and an account for commodity-related market derivatives transactions (referring to transactions set forth in Article 2, paragraph 8, item (1) of the Financial Instruments and Exchange Act (Act No. 25 of 1948); hereinafter, the same applies) on the financial instruments exchange markets of Osaka Exchange, Inc. (limited to accounts where appropriate measures are in place to ensure that transactions other than commodity-related market derivatives transactions are performed).

2. Matters necessary for the treatment described in the preceding paragraph shall be separately determined by the Exchange.

Supplementary Provisions

Article 1. These Rules shall come into effect on January 1, 2011, or the date of approval by the competent minister (December 7, 2010), whichever is later.

2. If a letter of consent pursuant to Article 4, Paragraph 1 of these Rules is delivered prior to the Effective Date, a new letter of consent shall be deemed to have been delivered pursuant to Article 4, Paragraph 1 of these Rules on the Effective Date. Furthermore, Entrusted Members shall deliver to Customers a copy of these Rules and Pre-agreement Documents as provided for in Article 3, Paragraph 1 of these Rules prior to the Effective Date, and shall provide an explanation of the Pre-agreement Documents to ensure they can be understood.
3. If a letter of consent pursuant to Article 4, Paragraph 1 of these Rules is delivered prior to the Effective Date when an Intermediary accepts the brokerage of the entrustment of a transaction on the Commodity Markets of the Exchange from a Customer of Intermediaries, a new letter of consent shall be deemed to have been delivered pursuant to Article 4, Paragraph 1 of these Rules on the Effective Date. Furthermore, Intermediaries shall deliver to Customer of Intermediaries a copy of these Rules and Pre-agreement Documents as provided for in Article 3, Paragraph 1 of these Rules prior to the Effective Date, and shall provide an explanation of the Pre-agreement Documents to ensure they can be understood.
4. The provisions of the second sentence of Article 11 and the second sentence of Article 11-2 notwithstanding, for the time being, in cases where an Entrusted Member and a customer have concluded a special agreement, Appropriation Securities, etc., and Substitute Foreign Currencies (including those already placed or deposited with or by the Entrusted Member) may be allocated or made to be allocated for the amount of Clearing Margin equivalent to the Cash Deficiency Amount.

#### Supplementary Provisions

The new establishment of Article 10-2 and changes to Article 37 shall come into effect on January 1, 2011, or the date of approval by the competent minister (December 27, 2010), whichever is later.

#### Supplementary Provisions

Changes to these Rules accompanying the new establishment of Articles 42 and 64, which were resolved at an extraordinary meeting of the board of governors held on July 5, 2011, shall come into effect from the date of approval by the competent minister (July 29, 2011), and be implemented from August 8, 2011.

#### Supplementary Provisions

Changes to these Rules accompanying the new establishment of Articles 6-3, which were resolved at an extraordinary meeting of the board of governors held on August 23, 2012, shall come into effect from the date of approval by the competent minister (August 31, 2012), and be implemented from September 3, 2012.

#### Supplementary Provisions

Changes to these Rules resolved at an extraordinary meeting of the board of governors held on May 29, 2012, shall come into effect from the date of approval by the competent minister (June 4, 2012).

#### Supplementary Provisions

1. Changes to Articles 1 and 42 of these Rules, which were resolved at a meeting of the board of governors held on November 20, 2012, shall come into effect from the date of approval by the competent minister (November 29, 2012), and be implemented on the day that rice is transferred from the Tokyo Grain Exchange, Inc.
2. Changes to Article 6-2 and the new establishment of Article 6-4 of these Rules, which were resolved at a meeting of the board of governors held on November 20, 2012, shall come into effect from December 1, 2012 or the date of approval by the competent minister (November 29, 2012), whichever is later.

#### Supplementary Provisions

Changes to these Rules, which were resolved at a regular meeting of the board of governors held on February 21, 2014, shall come into effect from the date of approval by the Minister of Agriculture, Forestry and Fisheries (March 20, 2014), and be implemented from April 1, 2014.

#### Supplementary Provisions

Changes to Article 23 and the new establishment of Articles 69 through 71, which were resolved at an extraordinary meeting of the board of governors held on May 28, 2015, shall come into effect from June 1, 2015, or the date of approval by the Minister of Agriculture, Forestry and Fisheries (May 29, 2015), whichever is later.

#### Supplementary Provisions

Changes to Article 42 and the new establishment of Article 42-2, which were resolved at a regular meeting of the board of governors held on September 27, 2016, shall come into effect from the date of approval by the Minister of Agriculture, Forestry and Fisheries (October 11, 2016).

#### Supplementary Provisions

Changes to the provisions of Article 7 (Placement or Deposit of Clearing Margins), Article 10-2 (Deferral of Placement of Clearing Margins), Article 11 (Amount of Clearing Margins and Cut-off Time for Placement or Deposit of Clearing Margins), Article 12-2 (Special Provisions for the Timing of Deposit of Clearing Margin), Article 14 (Disposition of Transactions upon Non-payment of Clearing Margins), Article 20 (Notice of Unexecuted Transactions), and Article 24 (Emergency Measures), and the deletion of Article 11-2 (Additional Placement or Deposit of Clearing Margin) shall come into effect from the date of approval by the Minister of Agriculture, Forestry and Fisheries (May 14, 2018). In accordance with the above, “the provisions of the second sentence of Article 11 and the second sentence of Article 11-2” in Paragraph 4 of the Supplementary Provisions of these Rules enacted on January 1, 2011, shall be deemed to be replaced with “the provisions of Article 11, Paragraph 2.”

#### Supplementary Provisions

Article 1. The new establishment of Articles 40-2 (Give-up Requirements, etc.) to 40-5

(Instructions for Entrustment of Transactions Pertaining to Give-up), Chapter 11-2 Special Provisions for Off-floor Transactions, and Chapter 11-3 Special Provisions for Transactions Through the Direct Market Access Method, changes to the provisions of Article 5 (Advance Notice by Customers and Others), Article 6 (Instructions for Entrustment of Transactions), Article 6-3 (Special Provisions for Instructions, etc., when Entrusting Limited Loss Transactions), Article 6-4 (Special Provisions for Discretionary Transactions under Eligible Consent, etc.), Article 15 (Settlement by Offset), Article 16 (Settlement by Delivery), Article 19 (Notice of Execution of Transactions), Article 21 (Notice of Settlement by Delivery), Article 23 (Notice of Disposition of Transactions), Article 25 (Prohibition on Discretionary Trading), Article 37 (Compliance Requirements for Intermediaries), the chapter name of Chapter 8, Article 40 (Give-up), Article 41 (Special Provisions for the Settlement by Delivery of Corn and Raw Sugar), Article 42 (Special Provisions for the Settlement by Delivery of Rice (Niigata Koshihikari and Akita Akitakomachi)) (limited to the application to rice as set forth in Article 8, Paragraph 2, Item (4) B of the Market Rules that a resolution was passed to partially change at a meeting of the board of governors held on July 18, 2018 (hereinafter, referred to as the "Changed Rules" in these Supplementary Provisions)), Article 43-3 (Instructions for Entrustment of Transactions), and Article 52 (Settlement by the Exercise of Rights), which were resolved at a meeting of the board of governors held on July 18, 2018, shall be enacted from September 25, 2018, or the date of approval by the Minister of Agriculture, Forestry and Fisheries (August 15, 2018), whichever is later.

Article 2. Changes to the provisions of Article 42 (Special Provisions for the Settlement by Delivery of Rice (Niigata Koshihikari and Akita Akitakomachi)) (limited to the application to rice as set forth in Article 8, Paragraph 2, Item (4) C of the Changed Rules) shall come into effect from October 22, 2018.

Article 3. The settlement by delivery for contracts up to and including March 2019 for rice as set forth in Article 8, Paragraph 2, Item (4) A of the Changed Rules and rice as set forth in Article 8, Paragraph 2, Item (4) A of the Market Rules prior to the changes shall be performed in accordance with the provisions of Article 42 (Special Provisions for the Settlement by Delivery of Rice (Tokyo Rice and Osaka Rice) of the Brokerage Contract Rules prior to the change.

Article 4. The provisions of Article 1 notwithstanding, these provisions shall be enacted from a date determined by the Board of Governors in the event that the Exchange deems it inappropriate to enact these provisions on the Effective Date set forth in this article, owing to obstacles to the operation of trading systems or other unavoidable circumstances. In such cases, the Effective Date in Article 2 and the contract term for transactions pertaining to Standard Grade Materials in Article 3 shall be separately determined by the Board of Governors.

#### Supplementary Provisions

1. Changes to Article 15 (Settlement by Offset) and Article 41 (Special Provisions for the Settlement by Delivery of Corn and Raw Sugar), which were resolved at a meeting of the board of governors held on January 23, 2020, shall come into effect from the date of approval by the Minister of Agriculture, Forestry and Fisheries (February 7, 2020) or April 16, 2020, whichever is later.

2. Changes to Article 42 (Special Provisions for the Settlement by Delivery of Rice (Niigata Koshihikari, Akita Akitakomachi, and Miyagi Hitomebore)) shall come into effect from the date of approval by the Minister of Agriculture, Forestry and Fisheries (February 7, 2020) or April 21, 2020, whichever is later.
3. Changes to Article 17 (Brokerage Commission), Article 23 (Notice of Disposition of Transactions), Article 25 (Prohibition on Discretionary Trading), Article 50 (Settlement of Transaction Payment, etc.), and Article 55 (Brokerage Commission), and the new establishment of Article 24-3 (Measures, etc., for the Abolishment or Temporary Suspension of Markets, etc.) shall come into effect from the date of approval by the Minister of Agriculture, Forestry and Fisheries (February 7, 2020).
4. The settlement of transactions for Standard Grade Materials as described in Article 8, Paragraph 2, Item (3) of the Market Rules prior to the changes (referring to the Market Rules prior to enactment of partial changes, etc., resolved at a meeting of the board of governors held on January 23, 2020) shall be performed in accordance with Article 15, Paragraph 4 of the Brokerage Contract Rules prior to the changes.
5. The provisions of Paragraphs 1 and 2 notwithstanding, in the event that the Exchange recognizes it would not be appropriate for these changes to come into effect on the day set forth in Paragraphs 1 or 2 owing to natural disaster or other unavoidable reasons, they shall come into effect on a day determined by the Board of Governors.

#### Supplementary Provisions

1. The changes to Article 1 (Conformity and Compliance with Brokerage Contract Rules), Article 2 (Definitions), Articles 7 (Placement or Deposit of Clearing Margins) through 11 (Amount of Clearing Margins and Cut-off Time for Placement or Deposit of Clearing Margins), Article 13 (Issuance of Clearing Margin Deposit Receipt), Article 16 (Settlement by Delivery), Article 18 (Repayment of Obligations Arising from Money, etc., Placed or Deposited), Article 22 (Regular Confirmation of Customer Account Balances), Article 24 (Emergency Measures), Article 27 (Transfer of Positions), Articles 30 (Interest on Deposited Money) through 32 (Right to Claim the Return of Clearing Margins from JSCC, etc.), Article 37 (Compliance Requirements for Intermediaries), Article 40-3 (Requirements for Give-ups on a Member's Own Account, etc.), Articles 41 (Special Provisions for the Settlement by Delivery of Corn and Raw Sugar) through Article 43 (Special Provisions for the Settlement by Delivery of Frozen Shrimp), and the chapter name of Chapter 12, the new establishment of Article 24-4 (Measures Performed by Entrusted Members who have Received Instructions for Improvement of Positions Held, etc.), Article 27-2 (Special Provisions for the Transfer of Customer's Positions), Chapter 13, and Article 72 (Integrated Management of Margin by Specified Members), the deletion of Articles 65 (Special Provisions for the Transfer of the Processing of Unsettled Positions and Orders on Discontinued Commodity Markets and Opened Commodity Markets) through 68 (Compliance Requirements for Customers), and the deletion of Article 11-2 (Deleted), which were resolved at a meeting of the board of governors held on June 18, 2020, shall come into effect from July 27, 2020, or the date of approval by the Minister of Agriculture, Forestry and Fisheries (July 16, 2020), whichever is later.

2. The provisions of the preceding paragraph notwithstanding, in the event that the Exchange recognizes it would not be appropriate for these changes to come into effect on the day set forth in the same paragraph owing to natural disaster or other unavoidable reasons, the new Effective Date shall be a day determined by the Board of Governors. In such cases, matters required for enactment shall be determined by the Board of Governors as necessary.

#### Supplementary Provisions

1. Changes to Article 2 (Definitions), Article 6-4 (Special Provisions for Discretionary Transactions under Eligible Consent, etc.), Article 15 (Settlement by Offset), Article 19 (Notice of Execution of Transactions), Article 22 (Regular Confirmation of Customer Account Balances), Article 43 (Special Provisions for the Settlement by Delivery of Frozen Shrimp), and Article 69 (Agreements Based on Specified Solicitation), the deletion of Articles 43 (Special Provisions for the Settlement by Delivery of Frozen Shrimp) through 46 (Instructions for Consignment of Transactions), Articles 50 (Settlement of Transaction Payment, etc.) through 56 (Repayment of Obligations from Deposited Funds, etc.), Article 58 (Notification of Settlement from the Exercise of Rights), Article 59 (Notification of Settlement from the Allotment of the Exercise of Rights), Article 62 (Prohibition of Discretionary Purchases in Option Transactions, etc.), and Article 63 (Raw Sugar Combination Transactions), and the deletion of the chapter name of Chapter 9-2 (Special Provisions for Index Futures Transactions), the chapter name of Chapter 10 (Special Provisions for Raw Sugar Futures Options Transactions), and the section names of each section of the same chapter, and the renumbering and organization of chapter names from Chapter 11 (Special Provisions for EFP Transactions) onward, which were resolved at a meeting of the board of governors held on September 24, 2020, shall come into effect from the date of approval by the Minister of Agriculture, Forestry and Fisheries (November 10, 2020).
2. The provisions of the preceding paragraph notwithstanding, in the event that the Exchange recognizes it would not be appropriate for these changes to come into effect on the day set forth in the same paragraph owing to natural disaster or other unavoidable reasons, they shall come into effect on a day determined by the Board of Governors on or after that day. In such cases, matters required for enactment shall be determined by the Board of Governors.

#### Supplementary Provisions

1. Changes to Article 16 (Settlement by Delivery) and Article 42 (Special Provisions for the Settlement by Delivery of Rice (Niigata Koshihikari, Akita Akitakomachi, and Miyagi Hitomebore)), and the new establishment of Chapter 9-2 Special Provisions for Niigata Koshihikari EXW, which were resolved at a meeting of the board of governors of governors held on December 17, 2020, shall come into effect from March 22, 2021, or the date of approval by the Minister of Agriculture, Forestry and Fisheries (January 18, 2021), whichever is later.
2. The provisions of the preceding paragraph notwithstanding, in the event that the Exchange recognizes it would not be appropriate for these changes to come into effect on the day set forth in the same paragraph owing to system faults, natural disaster, or other unavoidable



reasons, the new Effective Date shall be a day determined by the Board of Governors. In such cases, matters required for enactment shall be determined by the Board of Governors.

#### Supplementary Provisions (March 19, 2021)

1. The changes to these Rules shall come into effect from April 1, 2021, or the date the Exchange receives approval as described in Article 132, paragraph 1 of the Act in relation to organizational changes (March 19, 2021), whichever is later.
2. The provisions of the preceding paragraph notwithstanding, in the event that the Exchange recognizes it would not be appropriate for these changes to come into effect on the day provided for in the same paragraph owing to unavoidable reasons, they shall come into effect on a day determined by the Exchange on or after that day.

#### Supplementary Provisions (May 10, 2022)

1. Changes to these Brokerage Contract Rules shall come into effect on the date of approval by the Minister of Agriculture, Forestry and Fisheries (May 10, 2022).
2. The provisions of the preceding paragraph notwithstanding, in the event that the Exchange recognizes it would not be appropriate for these changes to come into effect on the Effective Date set forth in the same paragraph owing to unavoidable reasons, such as natural disaster, etc., they shall come into effect on a day determined by the Exchange on or after that day.

#### Supplementary Provisions (October 27, 2022)

1. Changes to these Brokerage Contract Rules shall come into effect on the date of approval by the Minister of Agriculture, Forestry and Fisheries (October 27, 2022) or October 1, 2023, whichever is later.
2. Even prior to the date of enactment (hereinafter, the "Effective Date") of the changes to these Brokerage Contract Rules, a customer may provide notification to a Broker Participant in accordance with the provisions of Article 39-3, Paragraph 2 and Paragraph 3, as well as Article 47, Paragraph 2 and Paragraph 3. In such cases, notification provided in accordance with these provisions shall be deemed to have been performed in accordance with these provisions on the Effective Date.

#### Supplementary Provisions (January 16, 2023)

Changes to these Brokerage Contract Rules shall come into effect on March 27, 2023 or the date approval is received pursuant to the provisions of Article 156, paragraph 1 of the Commodity Derivatives Transaction Act (Act No. 239 of 1950) (January 16, 2023), whichever is later.