

Enforcement Rules on Market Management

Japanese Rice Futures
Price Index Market

Osaka Dojima Exchange, Inc.

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Osaka Dojima Exchange, Inc. (the "Exchange") shall perform market management as set forth in these enforcement rules, to ensure the fairness of transactions on the Japanese Rice Futures Price Index Market established by the Exchange; provided, however, that the provisions of these enforcement rules notwithstanding, the Exchange shall take necessary measures as required when the Exchange deems it necessary owing to circumstances in Commodity Markets.

I Position Limits and Reporting

1. Position Limits for Customers and Trading Participants

(1) Position limits for Customers (excluding persons holding commercial positions authorized in accordance with the provisions of item (5); hereinafter, the same applies) shall be as follows for short or long positions, respectively.

	First contract month		Second contract month	Third contract month	Fourth contract month	Fifth contract month	Sixth contract month
	Current contract month trades last month	Current contract month trades month before last					
General positions	200 units	350 units	500 units	1,000 units	2,000 units	2,000 units	2,000 units
Commercial positions	400 units	700 units	1,000 units	2,000 units	3,000 units	3,000 units	3,000 units

(2) Position limits for Trading Participants (excluding Trading Participants authorized in accordance with the provisions of item (5), as well as Remote Marketplace Participants and Remote Broker Trading Participants; hereinafter, the same applies) shall be as follows for short or long positions, respectively.

First contract month		Second contract month	Third contract month	Fourth contract month	Fifth contract month	Sixth contract month
Current contract month trades last month	Current contract month trades month before last					
400 units	700 units	1,000 units	2,000 units	3,000 units	3,000 units	3,000 units

(3) If deemed necessary by the Exchange, the Exchange shall issue instructions concerning the disposition of the unsettled positions of Customers and Trading Participants who have exceeded limits, pursuant to the provisions of Article 36-20, Paragraph 3 of the Market Rules.

(4) If the unsettled positions of a Customer exceed the limits in (1) as a result of the rollover of existing unsettled positions, the Exchange shall not permit new unsettled positions for any contract month until his or her unsettled positions are below the relevant limits. Trading Participants shall endeavor to ensure that the rollover of existing unsettled positions does not cause the limits in (2) to be exceeded.

(5) If a Customer or Trading Participant who is a Commercial Person or person otherwise specified by the rules of Exchange intends to exceed the position limits in (1) or (2) as a result of a hedge, etc., he or she must obtain authorization from the Exchange in advance in accordance with the procedures separately set forth.

(6) Broker Participants must spread awareness and instruct Customers in advance to gradually reduce their rolled over positions among their unsettled positions to ensure that they do not exceed their respective limits.

(7) Limits for positions on Broker Participants' own accounts shall be the quantity provided for in (2) or the quantity equivalent to 10% of the total open positions for the relevant contract month, whichever quantity is larger.

(8) The provisions of (2) or (7) notwithstanding, when the Exchange deems it necessary, it may separately set position limits or order the disposition of unsettled positions for Trading Participants.

2. Position Limits for Intermediaries

- (1) Position limits for intermediaries shall be the number of unsettled positions in 1. (1).
- (2) If an Intermediary has submitted a pledge separately set forth by the Exchange in advance, the limits for unsettled positions on his or her own account and for the unsettled positions of a single Customer of Intermediaries shall be the quantity set forth in 1. (1) for each.
- (3) Broker Participants must spread awareness and instruct Intermediaries in advance concerning the system, to ensure they gradually reduce their unsettled positions such that they do not exceed the position limits provided for in (1) or (2).
- (4) Intermediaries must spread awareness and instruct Customers of Intermediaries in advance concerning the system, to ensure they gradually reduce their unsettled positions such that they do not exceed the position limits provided for in (1) or (2).
- (5) If the unsettled positions of an Intermediary and Customer of an Intermediary exceed the position limits provided for in (1) or (2) as a result of the rollover of existing unsettled positions, the Exchange shall not permit new unsettled positions for any contract month until their unsettled positions are below the relevant limits.
- (6) The provisions of 1. (5) shall apply mutatis mutandis to Customers of Intermediaries.
- (7) If the unsettled positions of an Intermediary or Customer of an Intermediary (when entrusted to two (2) or more Broker Participants, the total thereof) exceed the position limits provided for in (1) or (2) as a result of the provisions of Article 36-20, Paragraph 4 of the Market Rules, the Exchange shall notify the relevant Broker Participant to that effect, and shall also instruct the relevant Intermediary to dispose of any unsettled positions of the relevant Intermediary or Customer of an Intermediary that exceed the position limits.
- (8) In the event that an Intermediary required to submit a position report in accordance with the provisions of Article 36-21, Paragraph 4, fails to do so, or in the event that the Exchange determines that the report contained falsehoods, the Exchange may restrict all or some trades with the relevant Intermediary by the Broker Participant who was entrusted by the Intermediary.
- (9) The provisions of (1) notwithstanding, when the Exchange deems it necessary, it may separately set position limits or order the disposition of unsettled positions for Intermediaries.
- (10) Intermediaries who have submitted a pledge in accordance with (2) shall submit a report concerning unsettled positions for each Customer of the Intermediary on the day designated by the Exchange, directly to the Exchange.
- (11) In addition to cases provided for in the preceding item, if the Exchange deems it particularly necessary, it may order Intermediaries to report unsettled positions for each of their Customers.

3. Position Limits for Foreign Commodity Derivatives Business Operators

- (1) Position limits for persons who have been granted a license (including registration or other administrative actions similar to such licenses) in relation to the acceptance of the entrustment of transactions in Foreign Commodity Markets under the provisions of laws and regulations of the foreign country that are equivalent to provisions of Article 190, paragraph 1 of the Commodity Futures Trading Act. in the foreign country, or foreign persons who are equivalent thereto (limited to omnibus accounts; hereinafter, collectively referred to as "Foreign Commodity Derivatives Business Operators") shall be as follows for short or long positions, respectively, the provisions concerning position limits in 1. (1) notwithstanding; provided, however, that the position limit for end Customers shall be the position limit quantity for a single domestic Customer.

First contract month		Second contract month	Third contract month	Fourth contract month	Fifth contract month	Sixth contract month
Current contract month trades last month	Current contract month trades month before last					
200 units	600 units	1,000 units	2,000 units	3,000 units	3,000 units	3,000 units

- (2) If a Foreign Commodity Derivatives Business Operator has submitted a pledge separately set forth by the Exchange in advance through a Broker Participant, as a special measure, the limit for the unsettled positions of a single end Customer who requests the brokerage of entrustment from the relevant Foreign Commodity Derivatives Business Operator shall be the quantity in 1. (1).
- (3) Broker Participants must spread awareness and instruct Foreign Commodity Derivatives Business Operators with whom they have an entrustment relationship in advance concerning the system, to ensure that the unsettled positions of the relevant Foreign Commodity Derivatives Business Operators are within the position limits in (1) or (2).
- (4) If the unsettled positions of a Foreign Commodity Derivatives Business Operator exceed the position limits provided for in (1) or (2) as a result of the rollover of existing unsettled positions, the Broker Participant must report unsettled positions for the relevant contract month.
- (5) If the unsettled positions of a Foreign Commodity Derivatives Business Operator exceed the position limits in (1) or (2) as a result of the rollover of existing unsettled positions, the Exchange shall not permit new unsettled positions for any contract month until their unsettled positions are below the relevant limits.
- (6) When subject to special measures as described in (2), Broker Participants shall collect position reports in the format separately set forth by the Exchange for the unsettled positions for each end Customer name of the relevant Foreign Commodity Derivatives Business Operator on the day specified by the Exchange, and submit them to the Exchange.
- (7) In the event that a Foreign Commodity Derivatives Business Operator fails to submit a position report as provided for in the preceding item, or the Exchange determines that the report contained falsehoods, the Exchange may restrict all or some trades with the relevant Foreign Commodity Derivatives Business Operator by the Broker Participant who was entrusted by the relevant Foreign Commodity Derivatives Business Operator, or discontinue the special measures described in (2).
- (8) If the Exchange deems it particularly necessary, it may order the submission of reports on unsettled positions for each end Customer name in an omnibus account.
- (9) The provisions of (1) or (2) notwithstanding, when the Exchange deems it necessary, it may separately set position limits or order the disposition of unsettled positions for Foreign Commodity Derivatives Business Operators.

4. Position Limits for Commodity Funds

- (1) Position limits for trades provided for in Article 5, Paragraph 2 of the Brokerage Contract Rules ("Commodity Funds") shall be as follows for short or long positions, respectively.

First contract month		Second contract month	Third contract month	Fourth contract month	Fifth contract month	Sixth contract month
Current contract month trades last month	Current contract month trades month before last					
200 units	600 units	1,000 units	2,000 units	3,000 units	3,000 units	3,000 units

- (2) Broker Participants must spread awareness and instruct commodity investment advisors, etc., in advance concerning the system, to ensure that the unsettled positions of the relevant Commodity Fund are within the position limits in (1).

Furthermore, if the relevant Commodity Fund has transactions through two (2) or more commodity investment advisors, etc., information and instructions must be given in advance concerning the system, to ensure that unsettled positions are within the position limits in (1).

- (3) If the unsettled positions of a Commodity Fund exceed the position limits in (1) as a result of the rollover of existing unsettled positions, the Exchange shall not permit new unsettled positions for any contract month until their unsettled positions are below the relevant limits.
- (4) The provisions of (1) notwithstanding, when the Exchange deems it necessary, it may separately set position limits or order the disposition of unsettled positions for Commodity Funds.

5. Position Limits for Remote Marketplace Participants and Remote Broker Trading Participants

- (1) Position limits for Remote Marketplace Participants and Remote Broker Trading Participants shall be the positions provided for in the main text of 3. (1) for short or long positions, respectively; provided, however, that position limits for persons submitting requests for trades to Remote Broker Trading Participants (limited to non-residents; hereinafter, referred to as "Overseas Customers") shall be the position limit quantity for a single domestic Customer.
- (2) If a Remote Broker Trading Participant has submitted a pledge separately set forth by the Exchange in advance, as a special measure, the limit for the unsettled positions of a single Overseas Customer shall be the quantity in 1. (1).
- (3) Remote Broker Trading Participants must spread awareness and instruct Overseas Customers in advance concerning the system, to ensure they gradually reduce their unsettled positions such that they do not exceed the position limits provided for in (1) or (2).
- (4) If the unsettled positions of a Remote Marketplace Participant and Remote Broker Trading Participant, as well as an Overseas Customer, exceed the position limits provided for in (1) or (2) as a result of the rollover of existing unsettled positions, the Exchange shall not permit new unsettled positions for any contract month until their unsettled positions are below the relevant limits.
- (5) The provisions of (1) or (2) notwithstanding, when the Exchange deems it necessary, it may order the disposition of unsettled positions.
- (6) Remote Broker Trading Participants who have submitted a pledge pursuant to (2) shall submit a report concerning unsettled positions for each Overseas Customer on the day designated by the Exchange, directly to the Exchange.
- (7) In addition to cases provided for in the preceding item, if the Exchange deems it particularly necessary, it may order Remote Broker Trading Participants to report unsettled positions for each of their Overseas Customers.

6. Reporting of Unsettled Positions

In the event that the number of his or her unsettled positions at the end of the Day Session for a single Clearing Period corresponds to any of the numbers set forth in each of the following items, a Trading Participant must submit a report of the details thereof on the business day following the business day that belongs to the relevant Clearing Period, and as required, when the Exchange deems it particularly necessary, as determined by the Exchange.

(1) Unsettled Positions of Customers

When the quantity of short or long positions for a single contract month of a single Customer is one (1) or more

(2) Positions on Trading Participants' Own Accounts

Cases when the number of short or long unsettled positions (including unsettled positions entrusted to Broker Participants by the Trading Participant) exceeds 20 for a single contract month, or exceeds 120 in total for all contract months for the Japanese Rice Futures Price Index Market

II Limits on Value Fluctuations

Limit value fluctuations as provided for in Article 36-19, Paragraphs 2 and 3 of the Market Rules shall be as set forth in each of the following paragraphs.

1. Limit Value Fluctuations in Article 36-19, Paragraph 2 of the Market Rules

(1) Regular Limit Value Fluctuations

The regular limit value fluctuation for each contract month shall be the value obtained by multiplying the settlement value (referring to the settlement value as provided for in Article 46-3, Paragraph 1 of the Market Rules; hereinafter, the same applies) for the immediately preceding Clearing Period by 2% (any values below ten (10) in this value shall be rounded to the nearest ten (10)).

(2) Expansion of Limit Value Fluctuations

- a. The provisions of the preceding item notwithstanding, if settlement values reach the minimum or maximum limit values for two (2) or more contract months between the second contract month in a single Clearing Period, the value obtained by multiplying the settlement value for each contract month between the second contract month and the sixth contract month by 2.5% (any values below ten (10) in this value shall be rounded to the nearest ten (10)) shall be applied as the limit value fluctuation for each contract month between the second contract month and the sixth contract month in the following Clearing Period.
- b. If settlement values reach the minimum or maximum limit values for two (2) or more contract months between the second contract month and the sixth contract month in a Clearing Period to which the limit value fluctuation in item a has been applied, the value obtained by multiplying the settlement value for each contract month between the second contract month and the sixth contract month by 3% (any values below ten (10) in this value shall be rounded to the nearest ten (10)) shall be applied as the limit value fluctuation for each contract month between the second contract month and the sixth contract month in the following Clearing Period, and the same shall apply thereafter, until the settlement value reaches the minimum or maximum limit values for fewer than two (2) contract months between the second contract month and the sixth contract month in a single Clearing Period.
- c. If settlement values reach the minimum or maximum limit values for fewer than two (2) contract months between the second contract month and the sixth contract month in a Clearing Period to which the limit value fluctuation in item b has been applied, the limit value fluctuation in the above item a shall be applied as the limit value fluctuation for each contract month from the second contract month to the sixth contract month in the following Clearing Period.
- d. If settlement values reach the minimum or maximum limit values for fewer than two (2) contract months between the second contract month and the sixth contract month in a Clearing Period to which the limit value fluctuation in item a has been applied, the limit value fluctuation in (1) shall be applied as the limit value fluctuation for each contract month from the second contract month to the sixth contract month in the following Clearing Period.

2. Limit Value Fluctuations in Article 36-19, Paragraph 3 of the Market Rules

The provisions of the preceding paragraph notwithstanding, the limit value fluctuation for the first contract month on or after the first day of the month preceding the month to which the final day of transactions of the current contract month belongs shall be the value obtained by multiplying the settlement value for the immediately preceding Clearing Period by 4% (any values below ten (10) in this value shall be rounded to the nearest ten (10)).

III Basic Approach to the Implementation of Market Management and Various Measures

1. In cases where excessive speculation has disrupted the market, severe sanctions shall be imposed, in accordance with actual circumstances, on any Trading Participant engaging in the transactions that were cause thereof or any Broker Participants who accepted those transactions.
2. Even in cases where there is no formal violation, if it is deemed necessary for market management reasons, the Exchange shall take measures such as strict sanctions against Trading Participants.
3. In addition to the above items 1. and 2., rigorous measures shall be taken, in accordance with actual circumstances, against any Trading Participant who has performed or assisted actions harmful to the Exchange, such as actions that cause a loss of trust in the Commodity Market, in relation to transactions or the acceptance of the entrustment thereof, etc., on the Commodity Market of the Exchange.

IV. Changes or Abolishment

These enforcement rules may be changed or abolished by the authority of the President and CEO.

Supplementary Provisions (July 22, 2024)

1. These enforcement rules shall come into effect on August 13, 2024.
2. Position Limits for the February 2025 contract, April 2025 contract, June 2025 contract, August 2025 contract, and October 2025 contract during the period from the effective date of these enforcement rules until the last business day of December 2024 shall be treated as set forth in each of the following items.
 - (1) February 2025 contract
 - a. To be treated as the fourth contract month from the effective date of these enforcement rules until the last business day of August 2024
 - b. To be treated as the third contract month from the first business day of September 2024 until the last business day of October 2024
 - c. To be treated as the second contract month from the first business day of November 2024 until the last business day of December 2024
 - (2) April 2025 contract
 - a. To be treated as the fifth contract month from the effective date of these enforcement rules until the last business day of August 2024
 - b. To be treated as the fourth contract month from the first business day of September 2024 until the last business day of October 2024
 - c. To be treated as the third contract month from the first business day of November 2024 until the last business day of December 2024
 - (3) June 2025 contract
 - a. To be treated as the sixth contract month from the effective date of these enforcement rules until the last business day of August 2024
 - b. To be treated as the fifth contract month from the first business day of September 2024 until the last business day of October 2024
 - c. To be treated as the fourth contract month from the first business day of November 2024 until the last business day of December 2024
 - (4) August 2025 contract
 - a. To be treated as the sixth contract month from the first business day of September 2024 until the last business day of October 2024
 - b. To be treated as the fifth contract month from the first business day of November 2024 until the last business day of December 2024
 - (5) October 2025 contract
 - a. To be treated as the sixth contract month from the first business day of November 2024 until the last business day of December 2024

Supplementary Provisions (August 21, 2024)

1. The term "Position Limits" in paragraph 2 of the Supplementary Provisions of these enforcement rules which came into effect on July 22, 2024, shall be changed to "Position Limits and Limits on Value Fluctuations".
2. The changes in the preceding paragraph shall come into effect as from August 21, 2024