

# Market Rules

Osaka Dojima Exchange, Inc.

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## Market Rules

### Chapter 1 General Provisions

#### (Purpose and Definitions of Terms)

Article 1. These market rules shall, based on the provisions of Article 58, Paragraph 1 of the Articles of Incorporation, prescribe the matters necessary with regard to transactions and Trading Participants of the Commodity Markets of Osaka Dojima Exchange, Inc. (the "Exchange").

2. In these Market Rules, the definitions of the terms used shall be as prescribed in the appended table.

#### (Interpretation)

Article 2. Parties to disputes involving the interpretation of these Market Rules or matters not expressed in these Market Rules that require prompt action shall comply with the decision of the Exchange.

#### (Enforcement Rules)

Article 3. In addition to the provisions of these Market Rules, matters necessary for the administration of each Commodity Market of the Exchange shall be prescribed in the Enforcement Rules on Market Management applicable to each market.

2. In addition to the provisions of these Market Rules, necessary matters concerning transactions using the Direct Market Access Method shall be prescribed in the Enforcement Rules on Direct Market Access.

3. In addition to the provisions of these Market Rules, matters necessary for the execution of transactions shall be prescribed in the Enforcement Rules on System Trading.

4. In addition to the provisions of these market rules, necessary matters concerning give-ups shall be prescribed in the Enforcement Rules on the Give-up System.

5. In addition to the provisions of these Market Rules, necessary matters concerning EFP transactions shall be prescribed in the Enforcement Rules on EFP Transactions.

6. In addition to the provisions of these Market Rules, necessary matters concerning stop loss transactions shall be prescribed in the Enforcement Rules on Stop Loss Transactions.

7. In addition to the provisions of these Market Rules, necessary matters concerning off-floor transactions shall be prescribed in the Enforcement Rules on Off-floor Transactions.

8. In addition to the provisions of these Market Rules, necessary matters concerning delivery in each Commodity Market of the Exchange shall be prescribed in the Enforcement Rules on Delivery applicable to each market.

9. In addition to the provisions of these Market Rules, necessary matters concerning Trading Participants shall be prescribed in the Enforcement Rules on Enforcement Concerning Trading Participants.

10. In addition to the provisions of these Market Rules, necessary matters concerning Trading Participation Fees and other related matters shall be prescribed in the Enforcement Rules Concerning Trading Participation Fees, etc.

11. In addition to the provisions of these Market Rules, necessary matters concerning clearing and settlement of trades closed on the Commodity Markets of the Exchange shall be prescribed in the Clearing and Settlement Rules.

12. In addition to the provisions of these Market Rules, necessary matters concerning the audit of Trading Participants shall be prescribed in the Enforcement Rules Concerning Audits of Trading Participants.

13. In addition to the provisions of these Market Rules, necessary matters concerning Cash-settled Futures shall be prescribed in the Enforcement Rules on Cash-settled Futures.

14. In addition to the provisions of these Market Rules, necessary matters concerning Index Futures Transactions shall be prescribed in the Enforcement Rules on Index Futures Transactions.

## Chapter 2 Commodity Market and Opening, Closing, and Suspension of Sessions

(Commodity Markets, Listed Commodities, etc.)

Article 4. The Commodity Markets, Listed Commodities or Listed Commodity Indexes, Listed Commodity Component Products or Listed Commodity Index Underlying Product, and the types of trades that the Exchange provides shall be as shown in the following table.

Commodity Markets	Listed Commodity or Listed Commodity Index	Listed Commodity Component Product or Listed Commodity Index Underlying Product	Types of Trade
Agricultural Market	Agricultural products	Soybeans Azuki beans	Physically Delivered Futures Transaction Spot Transaction
		Corn	Physically Delivered Futures Transaction
Sugar Market	Sugar	Raw sugar	Physically Delivered Futures Transaction Spot Transaction
Precious Metals Market	Precious metals	Gold and silver Platinum	Cash-settled Futures
Japanese Rice Futures Price Index Market	Japanese Rice Futures Price Index	Japanese rice	Index Futures Transaction

2. The duration of the Precious Metals Market shall last until the day when three (3) years have passed since the day that trading commenced. In such cases, for any unsettled positions remaining at the end of the Clearing Period to which the relevant day belongs (referring to the Clearing Period prescribed in the Business Rules; hereinafter, the same applies), a trade agreement shall be completed via resale or repurchase, at the Settlement Price for the relevant day (referring to the Settlement Price as provided for in Article 40, Paragraph 1; hereinafter, the same applies).

(Trading Sessions, Time, etc.)

Article 5. The trading sessions and times on the Exchange shall be as listed in each of the following items.

(1) Day Session

From 8:45 a.m. to 3:45 p.m.

(2) Night Session

From 5:00 p.m. to 6:00 a.m. the following day

2. The provisions of the preceding paragraph notwithstanding, trading sessions and Spot Transactions on the Agricultural Market, Sugar Market, and Japanese Rice Futures Price Index Market shall be restricted to the Day Session set forth in item (1) of the preceding paragraph.

(Holidays)

Article 6. The business days of the Exchange shall be all days other than the days set forth in each of the following items, which shall be considered as holidays.

(1) Saturdays and Sundays

(2) National holidays provided for in the National Holidays Act (Act No. 178 of 1948)

(3) The final day of the year and the first three (3) days of the year

2. The Exchange may temporarily determine business days and/or holidays, if the Exchange deems it necessary.
3. In cases provided for in the preceding paragraph, the Exchange shall notify Trading Participants and the JSCC accordingly in advance.
4. No sessions will be held on holidays. Provided, however, that this shall exclude Night Sessions when the day preceding the relevant holiday is a business day.

(Extraordinary Suspension and Extraordinary Holding of Sessions, etc.)

Article 7. The Exchange may temporarily change the opening time or closing time of sessions, temporarily suspend all or part of sessions, or temporarily open all or part of sessions, if the Exchange deems it necessary.

2. If the provisions of the preceding paragraph are applied, the Exchange shall promptly notify Trading Participants and the JSCC accordingly.

(Acceptance of Orders)

Article 8. During session times provided for in Article 5 or Article 7, the Exchange shall accept orders placed through order input devices used by Trading Participants (limited to persons provided for in Article 101, Paragraph 1), and immediately register the content thereof in the central processing system, in the sequence of their acceptance.

(Orders Through the Direct Market Access Method, etc.)

Article 9. When Broker Participants seek to offer the Direct Market Access Method to Direct Market Accessors, they must conclude a direct market access agreement (referring to the direct market access agreement as defined in the Enforcement Rules on Direct Market Access; hereinafter, the same applies) with the Exchange.

2. Broker Participants must apply to the Exchange to register any Direct Market Accessors, such as those who will enter orders via the Direct Market Access Method provided, and must receive approval from the Exchange, in accordance with the provisions of the Enforcement Rules on Direct Market Access. In such cases, if the Direct Market Accessor is a Customer of Intermediaries, the Broker Participant's application for registration with the Exchange shall be jointly signed with the Intermediary who were entrusted to intermediaries the entrustment of trades by the Direct Market Accessor.
3. Broker Participants who offer the Direct Market Access Method and Intermediaries who are entrusted to intermediaries the entrustment of trades by Direct Market Accessors must appropriately manage the systems, etc., and trades of Direct Market Accessors, including the entry of orders via the Direct Market Access Method, in accordance with the provisions of the Enforcement Rules on Direct Market Access.
4. Broker Participants who offer the Direct Market Access Method and Intermediaries who are entrusted to intermediaries the entrustment of trades by Direct Market Accessors must accept responsibility for the actions, etc., of Direct Market Accessors in relation to trades via the Direct Market Access Method.
5. Pursuant to the direct market access agreement concluded by the Exchange and the Broker Participant, trading terminals that are installed and operated by Direct Market Accessors to whom the entry of orders, etc., is delegated by a Broker Participant shall be deemed order input devices, as provided for in the preceding article.

### Chapter 3 Target of Trade, etc., Contract Terms, Quotations, and Increments

#### Section 1 Physically Delivered Futures Transactions, Cash-settled Futures, and Spot Transactions

(Target of Trade)

Article 10. The commodity goods underlying Physically Delivered Futures Transactions and Spot Transactions shall be those listed as Listed Commodity Component products in the table in Article 4, respectively; provided, however, that no sessions shall be held in relation to raw sugar on the Sugar Market for the time being.

2. The Target of Trades pertaining to Cash-settled Futures shall be those listed in each of the following items.
  - (1) For gold, it shall be gold bullion with a purity of at least 99.5%
  - (2) For silver, it shall be silver bullion with a purity of at least 99.9%
  - (3) For platinum, it shall be platinum bullion with a purity of at least 99.95%

(Standard Grade Materials for Physically Delivered Futures Transactions, etc.)

Article 11. Physically Delivered Futures Transactions shall be conducted via the Standard Grade Materials Transaction method, and the Exchange shall determine Deliverables Materials by grading, grade tables, and other matters related to grading.

2. The Standard Grade Materials for Physically Delivered Futures Transactions shall be those listed in each of the following items.

(1) Soybeans

· US Soybeans

Yellow soybeans produced in the U.S.A. that have been exported as meeting the standards of United States Grain Standards Act No. 2, with 14% or less water content (limited to those stored in silos).

(2) Azuki Beans

· Azuki beans produced in Tokachi Hokkaido

Azuki beans produced in Tokachi Hokkaido that qualify as Grade II General Azuki Beans (Regular Azuki Beans) for inspection standards pursuant to the Agricultural Products Inspection Act (Act No. 144 of 1951; hereinafter, referred to as the "Agricultural Products Inspection Act").

(3) Corn

· US Corn

Yellow corn produced in the U.S.A. that has been exported as meeting the standards of United States Grain Standards Act No. 3, with 15% or less water content (limited to that which is transferred under deck from the ship, etc., and which has not passed through customs).

(4) Raw sugar

· Raw centrifugal cane sugar produced outside of Japan.

Raw centrifugal cane sugar with a polarization of 96% that is produced outside of Japan, as defined on the raw sugar grade table (limited to that which is transferred under deck from the ship, etc., and which has not passed through customs).

(Last Trading Day of the Current Contract Month)

Article 12. The last session of the current contract month for Physically Delivered Futures Transactions shall be as shown in the following table, and when the relevant day is a holiday, it shall be brought forward in order.

Standard Grade Materials	Last Trading Day
US Soybeans	The day three (3) business days prior to the delivery day, as provided for in Article 51
Azuki beans produced in Tokachi Hokkaido	The day three (3) business days prior to the delivery day, as provided for in Article 56
US Corn	The 15th of each even month
Raw centrifugal cane sugar produced outside of Japan	The final business day of the month prior to the month to which the first day of the delivery period belongs, as provided for in Article 71

(Contract Terms)

Article 13. The contract terms for Physically Delivered Futures Transactions shall be as shown in the following table.

Standard Grade Materials	Contract Term
US Soybeans	Each even contract month within 12 months of the month following the month to which the Start Day of the New Contract Month belongs, where the Start Day of the New Contract Month is the next business day after the Last Trading Day of the current contract month
Azuki beans produced in Tokachi Hokkaido	Each contract month within six (6) months of the month following the month to which the Start Day of the New Contract Month belongs, where the Start Day of the New Contract Month is the business day after the Last Trading Day of the current contract month

US Corn	Each odd contract month within 12 months of the month after the month following the month to which the Start Day of the New Contract Month belongs, where the Start Day of the New Contract Month is the business day after the last session of the current contract month
Raw centrifugal cane sugar produced outside of Japan	Each odd expiration month within 12 months of the month after the month following the month to which the Start Day of the New Contract Month belongs, where the Start Day of the New Contract Month is the first business day of each even month

2. The contract term for Spot Transactions shall be until a date agreed upon by the interested parties in the transaction, within five (5) days from the date of the trade agreement, and when there is no particular agreement, delivery shall be at the discretion of the seller; provided, however, that this does not preclude the contract term being until a date agreed upon by the interested parties in the transaction within 10 days from the date of the trade agreement, when there has been a special arrangement between the interested parties in the transaction.

(Contract Term for Cash-settled Futures, etc.)

Article 13-2. Cash-settled Futures transactions shall be executed in a single Clearing Period, or shall occur via rollover at the end of a single Clearing Period, and shall be extinguished via resale or repurchase, or rollover.

(Quotation, Tick Sizes, Contract Size and Delivery Unit)

Article 14. The Quotations, Tick Sizes, Contract Sizes, and delivery units for Physically Delivered Futures Transactions shall be as shown in the following table.

Standard Grade Materials	Quotation	Tick Size	Contract Size	Delivery Unit
US Soybeans	1,000 kg	¥10	1 unit (10,000 kg)	10 units (100,000 kg)
Azuki beans produced in Tokachi Hokkaido	1 bag (Net 30 kg)	¥10	1 unit (1,200 kg)	1 unit (1,200 kg)
US Corn	1,000 kg	¥10	1 unit (50,000 kg)	1 unit (50,000 kg)
Raw centrifugal cane sugar produced outside of Japan	1,000 kg	¥10	1 unit (10,000 kg)	10 units (100,000 kg)

2. The Quotations, Tick Sizes, Contract Sizes, and delivery units for Spot Transactions shall be determined by agreement between the interested parties in the transaction.
3. The Quotations, Tick Sizes, and Contract Sizes for Cash-settled Futures shall be as shown in the following table.

Listed Commodity Component Products	Quotation	Tick Size	Contract Size
Gold	1 g	0.1 yen	1 unit (10 g)
Silver	1 g	0.01 yen	1 unit (1 kg)
Platinum	1 g	0.1 yen	1 unit (10 g)

## Section 2 Index Futures Transactions

(Target of Trade)

Article 14-2. The target of Japanese rice futures price index transactions shall be the future value calculated by estimation from the “results of the survey on the judgments of those involved in rice trading” published every month by the Organization for Securing a Stable Supply of Rice Grains (numbers shall be rounded to the nearest 10 yen; hereinafter, referred to as the “Average Rice Price”), based on the value derived from the average price of staple rice used in relative transaction contracts (the price of Grade 1 rice, including freight, packaging, and consumption tax) with a quantity and price determined between shippers, wholesalers, and others across all brands in the “Relative Transaction Prices and Quantities of Rice” published monthly by the Ministry of Agriculture, Forestry and Fisheries, weighted by the inspection quantity from the previous year.

(Calculation and Announcement of Average Rice Price)

Article 14-3. The calculation of the Average Rice Price shall be performed based on Appended Table 2 “Table Related to Calculation of the Average Rice Price.”

2. The Exchange shall begin calculating the Average Rice Price at 3:45 p.m. on the business day after the final day of transactions of the current contract month, as provided for in Paragraph 1 of the following article, and shall promptly announce the Average Rice Price after it is calculated.
3. The provisions of the preceding paragraph notwithstanding, if the Exchange deems it unavoidable, it may separately determine a date and time of announcement for the Average Rice Price.
4. If the Exchange deems that there is a mistake in the calculation of the Average Rice Price by 6:00 p.m. on the date of announcement, it may change the Average Rice Price by recalculating it.
5. Trading Participants may not claim any compensation for damages from the Exchange, even in the event that they suffer damages owing to the inability to calculate or publish the Average Rice Price, delays thereto, errors therein, or changes to the Average Rice Price pursuant to the provisions of the preceding paragraph.

(Final Day of Transactions of the Current Contract Month)

Article 14-4. The final day of transactions of the current contract month for Japanese rice futures price index transactions shall be the business day before the last business day of even-numbered months.

(Contract Terms)

Article 14-5. The Contract Terms for Japanese rice futures price index transactions shall be determined based on each even-numbered contract month within 12 months of the month to which the Start Day of the New Contract Month belongs, where the Start Day of the New Contract Month is the first business day of each odd-numbered month.

(Tick Size and Contract Size)

Article 14-6. The Tick Size and Contract Size for Japanese rice futures price index transactions shall be as follows.

Tick Size	Contract Size
¥10	1 unit (value obtained by multiplying the execution value by 50)

## Chapter 4 Conclusion of Transaction Contracts and the Restrictions Thereof

### Section 1 Physically Delivered Futures Transactions, Cash-settled Futures, and Spot Transactions

(Method of Trade Execution)

Article 15. The method of trade execution shall be as set forth in each of the following items, with orders placed on trading systems that use computers, etc., installed by the Exchange (“System Trading”), in principle.

- (1) Physically Delivered Futures Transactions and Cash-settled Futures shall be executed by Individual Auction with multi-execution method (“Order-Driven Market”), and Trading Participants



must enter the matters set forth in the Enforcement Rules on System Trading into the order input devices when conducting transactions.

- (2) Spot Transactions shall be executed by negotiated transactions.
2. Order-Driven Markets shall be executed through competitions among sell orders or buy orders, or between sell orders and buy orders with reference to the priority of orders, by matching each order individually to an execution price which shall be determined by a certain price at which the lowest offer and the highest bid are matched.
3. The priority of orders as provided for in the preceding paragraph shall be as set forth in each of the following items.
  - (1) The sell order with lower offer price shall take priority over other sell orders with higher offer prices, and the buy order with higher bid price shall take priority over other buy orders with lower bid prices;
  - (2) If there are multiple orders with the same price, the order registered earlier shall take priority over other orders registered later based on the registration time at the central processing system.
4. A Trading Participant who intends to request another Trading Participant to execute a transaction on his or her behalf owing to unavoidable circumstances, such as a fault in his or her order input device, must obtain approval from the Exchange in advance.
5. When a Trading Participant executes a transaction on behalf of another Trading Participant as an agent pursuant to the provisions of the preceding paragraph, the Exchange shall deem that a trade agreement has been concluded by the Trading Participant who requested agency for the transaction in cases when an application is submitted for the replacement of the Trading Participant who requested agency. Applications in such cases shall be submitted by 4:40 p.m. on the same day; provided, however, that this may not apply in cases when there are unavoidable circumstances, such as a fault in the order input device, etc.
6. Trade agreements concluded under the name of a Trading Participant who applied for a transfer pursuant to the provisions of the preceding paragraph shall be voided upon such requests, and the trade agreements with content identical to those of the voided trade agreements shall be newly created as trade agreements concluded under the names of the Trading Participants to whom the trades were transferred.
7. For negotiated transactions, when the respective volumes of an offer quote and bid quote can be matched at their respective prices, those prices shall be the execution price, and the trade shall be executed with the offer quote for the sale order and the bid quote for the purchase order.
8. For Spot Transactions, the type of Listed Commodity, class, quantity, delivery day, location, and other necessary matters shall be determined by mutual discussion between the interested parties in the transaction, and promptly submitted to the Exchange after an agreement has been concluded.

(Distribution of Bids and Offers)

Article 16. The Exchange shall inform Trading Participants of the status of orders by distributing relevant information in accordance with the provisions of the Enforcement Rules on System Trading.

(Confirmation of Transaction)

Article 17. When a trade agreement is concluded, the Exchange shall immediately notify the Trading Participants to that effect.

2. Upon receipt of notification of an order agreement conclusion as provided for in the preceding paragraph, Trading Participants shall immediately confirm the particulars of such notification.
3. Trading Participants who incur damages as a result of failure to perform the confirmation provided for in the preceding paragraph by another Trading Participant who participated in the Individual Auction may notify the Exchange to that effect and request compensation from the other Trading Participant.

(Entrustment Type Correction)

Article 18. Trading Participants may apply to the Exchange for a correction of their entrustment type in relation to all or part of trade agreements concluded pursuant to the provisions of Article 15, Paragraphs 2 and 5, as well as the following article, in accordance with the provisions of the Enforcement Rules on System Trading.

(Give-up)

Article 19. "Give-up" shall refer to a case where a trade agreement concluded in the name of a Trading Participant (hereinafter, referred to as the "Carrying Trading Participant" from this article to Article 22) who concluded the Trade Agreement is voided subject to receipt of a give-up application provided for in Article 21, and a trade agreement with the same content as the voided trade agreement is newly created as a trade agreement concluded in the name of another Trading Participant (hereinafter, referred to as the "Execute Trading Participant" from this article to Article 22).

2. A Trading Participant who intends to perform a give-up shall conclude a give-up agreement between the Carrying Trading Participant and the Execute Trading Participant in accordance with the provisions of the Enforcement Rules on the Give-up System, and must receive approval from the Exchange in advance.

(Give-up Application)

Article 20. A Carrying Trading Participant may designate the content of a trade agreement that is the subject of a give-up as well as the Execute Trading Participant and apply to the Exchange (the "Give-up Application"). The said Give-up Application shall be performed by the time set forth in the Enforcement Rules on the Give-up System for the Clearing Period where the trade agreement was concluded.

2. Upon receipt of a Give-up Application, the Exchange shall notify the Execute Trading Participants designated by the Carrying Trading Participant of its contents.

(Take-up Application)

Article 21. When an Execute Trading Participant will accept a Give-up Application for a trade agreement for which notification has been received pursuant to the provisions of Paragraph 2 of the preceding article, he or she shall submit an application to that effect (the "Take-up Application") to the Exchange, by the time set forth in the Enforcement Rules on the Give-up System for the Clearing Period where the trade agreement was concluded.

2. Upon receipt of the Take-up Application pursuant to the provisions of the preceding paragraph, the Exchange shall notify the Carrying Trading Participant that submitted the Give-up Application to that effect.
3. If the Take-up Application is not submitted by the Execute Trading Participant, the Exchange shall deem that the Execute Trading Participant has rejected acceptance of the trade agreement pertaining to the Give-up Application, and the give-up shall not be concluded.

(Cancellation of Give-up)

Article 22. In cases recognized by the Exchange, a Carrying Trading Participant and an Execute Trading Participant may apply to cancel a Give-up Application, etc. (referring to a Give-up Application and Take-up Application; hereinafter, the same applies).

2. Upon receipt of an application for cancellation of a Give-up Application, etc., pursuant to the provisions of the preceding paragraph, the Exchange shall notify the Carrying Trading Participant or the Execute Trading Participant that are counterparties in the relevant Give-up Application, etc., to that effect.

(EFP Transactions)

Article 23. Trading Participants may conclude trade agreements for EFP transactions for which they have applied to the Exchange and received the approval thereof.

2. The application method, approval, etc., of EFP transactions shall be as set forth in the Enforcement rules of EFP Transactions.

(Contract Terms Eligible for EFP Transaction Application, etc.)

Article 24. Applications for EFP transactions may be submitted for the Contract Terms provided for in Article 13, Paragraph 1 and Article 13-2; provided, however, that this shall exclude applications for transactions where a new trade agreement will be concluded on or after the day four (4) business days prior to the Last Trading Day of the current contract month for Physically Delivered Futures Transactions, and applications for transactions where a trade agreement will be completed through resale or repurchase on or after the business day prior to the Last Trading Day.

(Price Limits for EFP Transactions)

Article 25. Request prices for EFP transactions shall be a price agreed upon by interested parties, within the scope of limit prices provided for in Article 33, Paragraphs 2, 3, 4, or 5 for the Contract Term for the transaction on the date of the request.

(Suspension of EFP Transactions)

Article 26. If any of the circumstances listed in each of the following items apply, the Exchange may suspend all or part of EFP transactions.

- (1) When the Exchange deems the status of EFP Transactions to be abnormal or likely to be abnormal, or the Exchange otherwise deems it inappropriate to allow continued execution of EFP Transactions, taking into consideration the status of the Commodity Market;
- (2) When the Exchange suspends a session pursuant to the provisions of Article 7;
- (3) When it is deemed necessary by the Exchange, other than the circumstances provided for in the preceding two items.

(Stop Loss Transactions)

Article 27. For Limited Loss Transaction Contract, the Trading Margin for Customers, etc. (meaning the Trading Margin for Customers as provided for in the Brokerage Contract Rules and Clearing Margins determined by the Broker Participant as necessary for such transactions, and limited to those that have been paid in advance for the purpose of such transactions; hereinafter, the same applies), the Loss Cut Level Price (meaning a price corresponding to the calculated amount of loss calculated if a Loss Cut Order is executed or the proportion thereof; hereinafter, the same applies), the Maximum Loss Cut Level Price (meaning a price corresponding to the maximum calculated amount of loss if a Loss Cut Order is executed or the proportion thereof; hereinafter, the same applies), and other matters must satisfy the requirements set forth in the Enforcement Rules on Stop Loss Transactions.

2. The Exchange shall prescribe in the Enforcement Rules on Stop Loss Transactions the requirements for the Trading Margin for Customers, etc., the Loss Cut Level Price, and the Maximum Loss Cut Level Price provided for in the preceding paragraph in a way that ensures the losses incurred by the Customer do not exceed the Trading Margin for Customers, etc.
3. Applications and other matters concerning Stop Loss Transactions shall be conducted in accordance with the procedures set forth in each of the following items.
  - (1) A Broker Participant making a request must submit the documents prescribed in the Enforcement Rules on Stop Loss Transactions to the Exchange.
  - (2) A Stop Loss Transaction shall be executed when a Loss Cut Order has expired in accordance with the provisions of the Limited Loss Transaction Contract, and the Broker Participant who submitted the request pursuant to the provisions of the preceding item may not subsequently amend or cancel the said request.
  - (3) When a request is executed, the Exchange shall notify the Broker Participant who submitted the request without delay.
4. The provisions of the preceding four paragraphs excluding Item (3) of the preceding paragraph shall apply mutatis mutandis between the Intermediaries and the Customers of Intermediaries.

(Trade Period for Stop Loss Transactions, etc.)

Article 28. The trade period for Stop Loss Transactions for Physically Delivered Futures Transactions shall be from the Start Day of the New Contract Month for each contract month

until the business day prior to the date of application of the limit price as provided for in Article 33, Paragraph 3.

2. If there are no particular directions from the Customer with regard to remaining unsettled positions related to such transactions as of the final business day of the period provided for in the preceding paragraph, the Broker Participant shall complete the trade agreement through resale or repurchase at the Settlement Price for the relevant contract month on that day.
3. A trade period shall not be established for Stop Loss Transactions for Cash-settled Futures.

(Off-floor Transactions)

Article 29. Off-floor transactions shall be concluded when the Exchange approves the fact that either a buy or a sell application and an application submitted to correspond to that application matched, and the Exchange shall notify the Trading Participants that submitted the application of the fact that the trade agreement was concluded, without delay.

2. Applications pursuant to the provisions of the preceding paragraph shall be made as set forth in the Enforcement Rules on Off-floor Transactions, by no later than the Last Trading Day of the current contract month.

(Suspension of Off-floor Transactions)

Article 30. If any of the circumstances listed in each of the following items apply, the Exchange may suspend all or part of Off-floor Transactions.

- (1) When the Exchange deems the status of Off-floor Transactions to be abnormal or likely to be abnormal, or the Exchange otherwise deems it inappropriate to allow continued execution of Off-floor Transactions, taking into consideration the status of the Commodity Market;
- (2) When the Exchange suspends a session pursuant to the provisions of Article 7;
- (3) When it is deemed necessary by the Exchange, other than the circumstances provided for in the preceding two items.

(Special Transactions)

Article 31. In cases falling under any of the following Items, in sessions of the Commodity Markets of the Exchange, Broker Participants and Remote Broker Trading Participants may conclude trade agreements by acting as sellers and buyers, at the same execution price, for the same Contract Term, and for the same volume, only when they have applied to the Exchange and received the approval of the Exchange during or after the session, in accordance with the procedures designated by the Exchange.

- (1) When orders entrusted or requested that could not be executed owing to a fault in the order input device, etc., are matched with other entrusted or requested orders or entrusted or requested orders are matched with orders on the Trading Participant's own account, and the trade agreement is concluded at the price immediately after an order is received from the Customer or overseas customer;
- (2) When it is deemed particularly necessary by the Exchange, other than the circumstances provided for in the preceding item.
2. In the event that the number of unsettled positions for the current contract month does not equal an integer multiple of the delivery units divided by the contract sizes at the end of the session on the last session of the current contract month, Trading Participants may conclude trade agreements at the final Settlement Price for the current contract month set by JSCC, provided the Trading Participant has applied to and received approval from the Exchange.
3. In cases described in the preceding paragraph, if the Exchange recognizes that trade agreements will not be concluded among these Trading Participants only, these Trading Participants and other Trading Participants may conclude trade agreements at the final Settlement Price for the current contract month set by JSCC, provided these Trading Participants and other Trading Participants have applied to and received approval from the Exchange.
4. Applications described in the preceding three paragraphs must be submitted by 4:40 p.m. on a day to which the relevant Clearing Period belongs; provided, however, that this may not apply in cases when there are unavoidable circumstances, such as a fault in the order input device, etc.

(Special Provisions for the Conclusion of Trade Agreements on the Last Trading Day of the Current Contract Month)

Article 32. In the event that a Trading Participant must perform delivery because he or she cannot settle unsettled positions through resale or repurchase by the Last Trading Day of the current contract month for Physically Delivered Futures Transactions owing to the status of the Commodity Markets or other unavoidable reasons, but the Trading Participant is unable to perform delivery, if the Trading Participant agrees upon an execution price with another Trading Participant after the end of the session on the relevant day, the Trading Participant may conclude a trade agreement at that execution price, provided he or she has applied to and received approval from the Exchange. In such cases, the Trading Participant must submit the application by no later than 4:40 p.m. on the Last Trading Day of the current contract month.

(Limits on Price Fluctuations)

Article 33. Trade agreements shall be conducted within the scope of limit prices.

2. For limit prices in the preceding paragraph, the base price shall be the Settlement Price provided for in Article 40, Paragraph 1 for the Clearing Period immediately preceding the Clearing Period to which the relevant limit price is applied (hereinafter, the "immediately preceding Clearing Period") for Physically Delivered Futures Transactions, the final execution price on the previous business day for Spot Transactions, and the Theoretical spot price defined in Article 160, Paragraph 1 for the immediately preceding Clearing Period for Cash-settled Futures, and the limit price shall be a price calculated by adding or subtracting a limit price amount (hereinafter, the "limit price amount" in this article) determined in accordance with the relevant enforcement rules provided for in Article 3, Paragraph 1, within 15% of the relevant base price, for Physically Delivered Futures Transactions, Spot Transactions, and Cash-settled Futures (restricted to gold and platinum), and a price calculated by adding or subtracting a limit price amount within 45% of the base price for Cash-settled Futures (restricted to silver).
3. The provisions of the preceding paragraph notwithstanding, limit prices for trade agreements for the current contract month on the 15th of the month to which the Last Trading Day of the current contract month belongs or later for soybeans and azuki beans, and on the 1st of the month to which the Last Trading Day of the current contract month belongs or later for corn and raw sugar shall be prices calculated by adding or subtracting limit price amounts that are within 30% of base prices from base prices, where base prices are the Settlement Price as provided for in Article 40, Paragraph 1 for the immediately preceding Clearing Period.
4. The limit price on the Start Day of the New Contract Month for Physically Delivered Futures Transactions shall be determined in accordance with the provisions of Paragraph 2, where the base price is the Settlement Price for the most recent contract month for the immediately preceding Clearing Period.
5. The provisions of the preceding three paragraphs notwithstanding, the Exchange may determine prices used as the base for the calculation of limit prices or limit price amounts, when it is deemed necessary.

(Restrictions on the Number of Unsettled Positions of Trading Participants, etc.)

Article 34. The Exchange may, if deemed necessary, impose the restrictions set forth in each of the following items on Trading Participants with respect to all or some Contract Terms.

- (1) Restrictions on the order volume and other restrictions related to orders;
  - (2) Restrictions on the transaction volume and other restrictions related to transactions;
  - (3) Restrictions on net positions between short and long positions, restrictions on the maximum number of total unsettled positions, and other restrictions related to the number of unsettled positions;
  - (4) Restrictions on accepting the entrustment of transactions from Customers as provided for in Item (1) of the following paragraph or requests for transactions from Overseas Customers as provided for in Item (4) of the following paragraph.
2. The Exchange may, if deemed necessary, with respect to all or some Contract Terms, impose restrictions provided for in Items 1 through 3 of the preceding paragraphs on those set forth in each of the following items ("Customers, etc.).
- (1) Customers;
  - (2) Customers of Intermediaries;

- (3) In relation to the entrustment of transactions on Foreign Commodity Markets, those who make requests for transactions to those who have been granted a license pursuant to the provisions of the laws and regulations of a foreign country equivalent to a license pursuant to the provisions of Article 190, paragraph 1 of the Commodity Derivatives Transaction Act (Act No. 239 of 1950; hereinafter, referred to as the "Act") in the relevant foreign country (including registration and other administrative dispositions similar to the said license) or a foreign person who is equivalent thereto ("Foreign Commodity Derivatives Business Operator");
- (4) Those who make requests for transactions to Remote Broker Trading Participants (limited to non-residents; hereinafter, referred to as "Overseas Customers").
3. The Exchange may require that Trading Participants who have executed trades that exceed or will exceed the restrictions on unsettled positions pursuant to the provisions of Paragraph 1 dispose of the relevant unsettled positions, or require that Broker Participants who have been entrusted with trades that exceed or will exceed the restrictions on unsettled positions pursuant to the provisions of the previous paragraph dispose of the relevant unsettled positions for the Customers of the trades, etc.
4. In the event that the unsettled positions of Intermediaries or Customers of Intermediaries exceed the restrictions on unsettled positions provided for in Paragraph 2, the Exchange shall notify the Broker Participant to that effect and direct the Intermediaries to dispose of any unsettled positions in excess of the restrictions on unsettled positions.
5. In the event that the unsettled positions of a Remote Broker Trading Participant or an Overseas Customer exceed the restrictions on unsettled positions provided for in Paragraph 2, the Exchange shall notify the Broker Participant to that effect and direct the Intermediary to dispose of any unsettled positions in excess of the restrictions on unsettled positions.

(Restrictions on Transactions by Trading Participants, etc.)

Article 35. When the Exchange recognizes that actions have been performed that fall under any of the items of Article 116 of the Act, or any other actions that obstruct or may obstruct the fair formation of prices or settlement of transactions, it may restrict the transactions of Trading Participants who performed those actions or require them to dispose of the relevant unsettled positions, restrict the receipt of the entrustment of trades from the Customer of those actions by the Broker Participant who was entrusted with the trades in the relevant actions or require them to dispose of the relevant unsettled positions, or restrict the receipt of requests for trades from the Overseas Customer for the trades in the relevant actions by the Remote Broker Trading Participant who received the request for trades in the relevant actions or require them to dispose of the relevant unsettled positions.

2. In the event that the Exchange recognizes there is a possibility that unfair trades are being conducted, it may request that Trading Participants provide an explanation or submit relevant materials, and if deemed particularly necessary, the Exchange may also request that Customers, etc., provide explanations or submit relevant materials.
3. In the event that a Customer, etc., refuses to provide an explanation or submit relevant materials as requested pursuant to the provisions of the preceding paragraph, the Exchange may restrict the Broker Participant who was entrusted with the trades from the Customer, etc., or the Remote Broker Trading Participant who accepted the request for the trade from being entrusted with new orders or accepting new requests for trades from the relevant Customer, etc., or require them to dispose of any unsettled positions related to the relevant Customer, etc.
4. In the event that Intermediary required to submit a position report in accordance with the procedures set forth by the Exchange fail to do so, or in the event that the Exchange determines that a false report has been submitted, the Exchange may restrict all or some trades with the Intermediary by the Broker Participant who was entrusted with the trades by the Intermediary.

(Forced liquidation of Unsettled Short and Long Positions)

Article 36. If it is recognized that the settlement of transactions on the Exchange is not possible owing to rapid changes in economic conditions, natural disasters, or restrictions on prices indicated by the government or the Exchange, the Exchange may force liquidation for some or all unsettled short and long positions.

2. If it is recognized that the settlement of transactions on the Exchange is not possible owing to unavoidable circumstances other than those provided for in the preceding paragraph, the

Exchange may, by resolution of the General Shareholders Meeting, force liquidation for some or all unsettled short and long positions.

## Section 2 Index Futures Transactions

### (Method of Trade Execution)

Article 36-2. The method of trade execution shall be by Order-Driven market based on system trading, in principle, and Trading Participants must enter the matters set forth in the Enforcement Rules on System Trading into the order input devices when conducting transactions.

2. Order-Driven Markets shall be executed through competitions among sell orders or buy orders, or between sell orders and buy orders with reference to the priority of orders, by matching each order individually to an execution value which shall be determined by a certain value at which the lowest offer and the highest bid are matched.
3. The priority of orders as provided for in the preceding paragraph shall be as set forth in each of the following items.
  - (1) The sell order with lower offer value shall take priority over other sell orders with higher offer values, and the buy order with higher bid value shall take priority over other buy orders with lower bid values;
  - (2) If there are multiple orders with the same value, the order registered earlier shall take priority over other orders registered later based on the registration time at the central processing system.
4. A Trading Participant who intends to request another Trading Participant to execute a transaction on his or her behalf owing to unavoidable circumstances, such as a fault in his or her order input device, must obtain approval from the Exchange in advance.
5. When a Trading Participant executes a transaction on behalf of another Trading Participant as an agent pursuant to the provisions of the preceding paragraph, the Exchange shall deem that an agreement has been concluded by the Trading Participant who requested agency for the transaction in cases when an application is submitted for the replacement of the Trading Participant who requested agency. Applications in such cases shall be submitted by 4:40 p.m. on the same day; provided, however, that this may not apply in cases when there are unavoidable circumstances, such as a fault in the order input device, etc.
6. Agreements concluded under the name of a Trading Participant who applied for a transfer pursuant to the provisions of the preceding paragraph shall be voided upon such requests, and the agreements with content identical to those of the voided agreements shall be newly created as agreements concluded under the names of the Trading Participants to whom the trades were transferred.

### (Distribution of Bids and Offers)

Article 36-3. The Exchange shall inform Trading Participants of the status of orders by distributing relevant information in accordance with the provisions of the Enforcement Rules on System Trading.

### (Confirmation of Transaction)

Article 36-4. When an agreement is concluded, the Exchange shall immediately notify the Trading Participants to that effect.

2. Upon receipt of notification of an agreement conclusion as provided for in the preceding paragraph, Trading Participants shall immediately confirm the particulars of such notification.
3. Trading Participants who incur damages as a result of failure to perform the confirmation provided for in the preceding paragraph by another Trading Participant who participated in the Individual Auction may notify the Exchange to that effect and request compensation from the other Trading Participant.

### (Entrustment Type Correction)

Article 36-5. Trading Participants may apply to the Exchange for a correction of their entrustment type in relation to all or part of agreements concluded pursuant to the provisions of Article 36-2, Paragraphs 2 and 5, as well as the following article, in accordance with the provisions of the Enforcement Rules on System Trading.

(Give-up)

Article 36-6. "Give-up" shall refer to a case where an agreement concluded in the name of a Trading Participant (hereinafter, referred to as the "Carrying Trading Participant" from this article to Article 36-9) who concluded the agreement is voided subject to receipt of a take-up application provided for in Article 36-8, and an agreement with the same content as the voided agreement is newly created as an agreement concluded in the name of another Trading Participant (hereinafter, referred to as the "Execute Trading Participant " from this article to Article 36-9).

2. A Trading Participant who intends to perform a give-up shall conclude a give-up agreement between the Carrying Trading Participant and the Execute Trading Participant in accordance with the provisions of the Enforcement Rules on the Give-up System, and must receive approval from the Exchange in advance.

(Give-up Application)

Article 36-7. A Carrying Trading Participant may designate the content of an agreement that is the subject of a give-up as well as the Execution Trading Participant, and apply to the Exchange. The said Give-up Application shall be performed by the time set forth in the Enforcement Rules on the Give-up System for the Clearing Period where the agreement was concluded.

2. Upon receipt of a Give-up Application, the Exchange shall notify the Execution Trading Participants designated by the Carrying Trading Participant of its contents.

(Take-up Application)

Article 36-8. When an Execution Trading Participant will accept a Give-up Application for an agreement for which notification has been received pursuant to the provisions of Paragraph 2 of the preceding article, he or she shall submit an application to that effect to the Exchange, by the time set forth in the Enforcement Rules on the Give-up System for the Clearing Period where the agreement was concluded.

2. Upon receipt of the Take-up Application pursuant to the provisions of the preceding paragraph, the Exchange shall notify the Carrying Trading Participant that submitted the Give-up Application to that effect.
3. If the Take-up Application is not submitted by the Execute Trading Participant, the Exchange shall deem that the Execute Trading Participant has rejected acceptance of the agreement pertaining to the Give-up Application, and the give-up shall not be concluded.

(Cancellation of Give-up)

Article 36-9. In cases recognized by the Exchange, a Carrying Trading Participant and an Execution Trading Participant may apply to cancel a Give-up Application, etc.

2. Upon receipt of an application for cancelation of a Give-up Application, etc., pursuant to the provisions of the preceding paragraph, the Exchange shall notify the Carrying Trading Participant or the Execute Trading Participant that are counterparties in the relevant Give-up Application, etc., to that effect.

(EFP Transactions)

Article 36-10. Trading Participants may conclude agreements for EFP transactions for which they have applied to the Exchange and received the approval thereof.

2. The application method, approval, etc., of EFP transactions shall be as set forth in the Enforcement rules of EFP Transactions.

(Contract Terms Eligible for EFP Transaction Application, etc.)

Article 36-11. Applications for EFP transactions may be submitted for the Contract Terms provided for in Article 14-5; provided, however, that applications for transactions cannot be submitted on the final day of transactions of the current contract month.

(Value Limits for EFP Transactions)

Article 36-12. Request values for EFP transactions shall be a value agreed upon by interested parties, within the scope of limit values provided for in Article 36-19, Paragraphs 2, 3, 4, or 5 for the Contract Term for the transaction on the date of the request.



(Suspension of EFP Transactions)

Article 36-13. If any of the circumstances listed in each of the following items apply, the Exchange may suspend all or part of EFP transactions.

- (1) When the Exchange deems the status of EFP Transactions to be abnormal or likely to be abnormal, or the Exchange otherwise deems it inappropriate to allow continued execution of EFP Transactions, taking into consideration the status of the Commodity Market;
- (2) When the Exchange suspends a session pursuant to the provisions of Article 7;
- (3) When it is deemed necessary by the Exchange, other than the circumstances provided for in the preceding two items.

(Stop Loss Transactions)

Article 36-14. For Limited Loss Transaction Contracts, the Trading Margin for Customers, etc. (meaning the Trading Margin for Customers as provided for in the Brokerage Contract Rules and Clearing Margins determined by the Broker Participant as necessary for such transactions, and limited to those that have been paid in advance for the purpose of such transactions; hereinafter, the same applies), the Loss Cut Level Value (meaning a value corresponding to the calculated amount of loss if a Loss Cut Order is executed or the proportion thereof; hereinafter, the same applies), the Maximum Loss Cut Level Value (meaning a value corresponding to the maximum calculated amount of loss if a Loss Cut Order is executed or the proportion thereof; hereinafter, the same applies), and other matters must satisfy the requirements set forth in the Enforcement Rules on Stop Loss Transactions.

2. The Exchange shall prescribe in the Enforcement Rules on Stop Loss Transactions the requirements for the Trading Margin for Customers, etc., the Loss Cut Level Value, and the Maximum Loss Cut Level Value provided for in the preceding paragraph in a way that ensures the losses incurred by the Customer do not exceed the Trading Margin for Customers, etc.
3. Applications and other matters concerning Stop Loss Transactions shall be conducted in accordance with the procedures set forth in each of the following items.
  - (1) A Broker Participant making a request must submit the documents prescribed in the Enforcement Rules on Stop Loss Transactions to the Exchange.
  - (2) A Stop Loss Transaction shall be executed when a Loss Cut Order has expired in accordance with the provisions of the Limited Loss Transaction Contract, and the Broker Participant who submitted the request pursuant to the provisions of the preceding item may not subsequently amend or cancel the said request.
  - (3) When a request is executed, the Exchange shall notify the Broker Participant who submitted the request without delay.
4. The provisions of the preceding four paragraphs excluding Item (3) of the preceding paragraph shall apply mutatis mutandis between the Intermediaries and the Customers of Intermediaries.

(Period for Stop Loss Transactions, etc.)

Article 36-15. The period for Stop Loss Transactions for Index Futures Transactions shall be from the Start Day of the New Contract Month for each contract month until the business day prior to the date of application of the limit value fluctuation as provided for in Article 36-19, Paragraph 3.

2. If there are no particular directions from the Customer with regard to remaining unsettled positions related to such transactions as of the final business day of the period provided for in the preceding paragraph, the Broker Participant shall complete the agreement through resale or repurchase at the Settlement Value for the relevant contract month on that day.

(Off-floor Transactions)

Article 36-16. Off-floor transactions shall be concluded when the Exchange approves the fact that either a buy or a sell application and an application submitted to correspond to that application matched, and the Exchange shall notify the Trading Participants that submitted the application of the fact that the agreement was concluded, without delay.

2. Applications pursuant to the provisions of the preceding paragraph shall be made as set forth in the Enforcement Rules on Off-floor Transactions, by no later than the final day of transactions of the current contract month.

(Suspension of Off-floor Transactions)

Article 36-17. If any of the circumstances listed in each of the following items apply, the Exchange may suspend all or part of Off-floor Transactions.

- (1) When the Exchange deems the status of Off-floor Transactions to be abnormal or likely to be abnormal, or the Exchange otherwise deems it inappropriate to allow continued execution of Off-floor Transactions, taking into consideration the status of the Commodity Market;
- (2) When the Exchange suspends a session pursuant to the provisions of Article 7;
- (3) When it is deemed necessary by the Exchange, other than the circumstances provided for in the preceding two items.

(Special Transactions)

Article 36-18. In cases falling under any of the following Items, in sessions of the Commodity Markets of the Exchange, Broker Participants and Remote Broker Trading Participants may conclude agreements by acting as sellers and buyers, at the same execution value, for the same Contract Term, and for the same volume, only when they have applied to the Exchange and received the approval of the Exchange during or after the session, in accordance with the procedures designated by the Exchange. In such cases, applications for the current contract month cannot be submitted on or after the business day before the final day of transactions of the current contract month.

- (1) When orders entrusted or requested that could not be executed owing to a fault in the order input device, etc., are matched with other entrusted or requested orders or entrusted or requested orders are matched with orders on the Trading Participant's own account, and the agreement is concluded at the value immediately after an order is received from the Customer or Overseas Customer.
  - (2) When it is deemed particularly necessary by the Exchange, other than the circumstances provided for in the preceding item.
2. Applications described in the preceding paragraph must be submitted by 4:40 p.m. on a day to which the relevant Clearing Period belongs; provided, however, that this may not apply in cases when there are unavoidable circumstances, such as a fault in the order input device, etc.

(Limits on Value Fluctuations)

Article 36-19. Agreements shall be conducted within the scope of limit values.

2. Limit values referred to in the preceding paragraph shall be a value for which the base value is the Settlement Value as provided for in Article 46-3, Paragraph 1 for the Clearing Period immediately preceding the Clearing Period to which the relevant limit value applies (hereinafter, referred to simply as the "immediately preceding Clearing Period"), adjusted for the limit value fluctuation as set forth in the Enforcement Rules on Index Market Management provided for in Article 3, Paragraph 1, within a scope of 15% of the relevant base value.
3. The provisions of the preceding paragraph notwithstanding, the limit value for agreements for the first contract month (referring to the nearest contract month of the contract months available for transactions) on or after the 1st of the month preceding the month to which the final day of transactions of the current contract month belongs shall be a value for which the base value is the Settlement Value as provided for in Article 46-3, Paragraph 1 for the immediately preceding Clearing Period, adjusted for the limit value fluctuation as set forth in the Enforcement Rules on Index Market Management provided for in Article 3, Paragraph 1, within a scope of 30% of the relevant value.
4. The limit value on the Start Day of the New Contract Month shall be determined in accordance with the provisions of Paragraph 2, where the base value is the Settlement Value for the most recent contract month for the immediately preceding Clearing Period.
5. The provisions of the preceding three paragraphs notwithstanding, the Exchange may determine values used as the base for the calculation of limit values or limit value fluctuations, when it is deemed necessary.

(Restrictions on the Number of Unsettled Positions of Trading Participants, etc.)

Article 36-20. The Exchange may, if deemed necessary, impose the restrictions set forth in each of the following items on Trading Participants with respect to all or some Contract Terms.

- (1) Restrictions on the order volume and other restrictions related to orders;
  - (2) Restrictions on the transaction volume and other restrictions related to transactions;
  - (3) Restrictions on net positions between short and long positions, restrictions on the maximum number of total unsettled positions, and other restrictions related to the number of unsettled positions;
  - (4) Restrictions on accepting the entrustment of transactions from Customers or requests for transactions from Overseas Customers.
2. The Exchange may, if deemed necessary, with respect to all or some Contract Terms, impose restrictions provided for in Items 1 through 3 of the preceding paragraphs on Customers, etc.
  3. The Exchange may require that Trading Participants who have executed trades that exceed or will exceed the restrictions on unsettled positions pursuant to the provisions of Paragraph 1 dispose of the relevant unsettled positions, or require that Broker Participants who have been entrusted with trades that exceed or will exceed the restrictions on unsettled positions pursuant to the provisions of the previous paragraph dispose of the relevant unsettled positions for the Customers of the trades, etc.
  4. In the event that the unsettled positions of Intermediaries or Customers of Intermediaries exceed the restrictions on unsettled positions provided for in Paragraph 2, the Exchange shall notify the Broker Participant to that effect and direct the Intermediaries to dispose of any unsettled positions in excess of the restrictions on unsettled positions.
  5. In the event that the unsettled positions of a Remote Broker Trading Participant or an Overseas Customer exceed the restrictions on unsettled positions provided for in Paragraph 2, the Exchange shall notify the Broker Participant to that effect and direct the Intermediary to dispose of any unsettled positions in excess of the restrictions on unsettled positions.

(Restrictions on Transactions by Trading Participants, etc.)

Article 36-21. When the Exchange recognizes that actions have been performed that fall under any of the items of Article 116 of the Act, or any other actions that obstruct or may obstruct the fair formation of values or settlement of transactions, it may restrict the transactions of Trading Participants who performed those actions or require them to dispose of the relevant unsettled positions, restrict the receipt of the entrustment of trades from the Customer of those actions by the Broker Participant who was entrusted with the trades in the relevant actions or require them to dispose of the relevant unsettled positions, or restrict the receipt of requests for trades from the Overseas Customer for the trades in the relevant actions by the Remote Broker Trading Participant who received the request for trades in the relevant actions or require them to dispose of the relevant unsettled positions.

2. In the event that the Exchange recognizes there is a possibility that unfair trades are being conducted, it may request that Trading Participants provide an explanation or submit relevant materials, and if deemed particularly necessary, the Exchange may also request that Customers, etc., provide explanations or submit relevant materials.
3. In the event that a Customer, etc., refuses to provide an explanation or submit relevant materials as requested pursuant to the provisions of the preceding paragraph, the Exchange may restrict the Broker Participant who was entrusted with the trades from the Customer, etc., or the Remote Broker Trading Participant who accepted the request for the trade from being entrusted with new orders or accepting new requests for trades from the relevant Customer, etc., or require them to dispose of any unsettled positions related to the relevant Customer, etc.
4. In the event that an Intermediary required to submit a position report in accordance with the procedures set forth by the Exchange fails to do so, or in the event that the Exchange determines that a false report has been submitted, the Exchange may restrict all or some trades with the Intermediary by the Broker Participant who was entrusted with the trades by the Intermediary.

(Forced liquidation of Unsettled Short and Long Positions)

Article 36-22. If it is recognized that the settlement of transactions on the Exchange is not possible owing to rapid changes in economic conditions, natural disasters, or restrictions on values indicated by the government or the Exchange, the Exchange may force liquidation for some or all unsettled short and long positions.

2. If it is recognized that the settlement of transactions on the Exchange is not possible owing to unavoidable circumstances other than those provided for in the preceding paragraph, the Exchange

may, by resolution of the General Shareholders Meeting, force liquidation for some or all unsettled short and long positions.

## Chapter 5 Settlement of Transactions

(Settlement of Transaction in Commodity Markets)

Article 37. The Exchange shall designate JSCC as the Commodity Transaction Clearing Organization that will conduct the business of assuming commodity transaction obligations in relation to transactions closed on the Commodity Markets of the Exchange.

2. The settlement of transactions closed on the Commodity Markets of the Exchange shall be conducted between a Clearing Participant and JSCC, in accordance with the provisions of the Business Rules.
3. Matters concerning the settlement of transactions by Non-Clearing Participants shall be conducted between the Non-Clearing Participant and a Clearing Participant designated by the Non-Clearing Participant, in accordance with the provisions of Article 134.

## Chapter 6 Method of Covering Open Positions for Futures Transactions

### Section 1 Physically Delivered Futures Transactions and Cash-settled Futures

(Method of Covering Open Positions)

Article 38. The method of covering open positions shall be as provided for from the following article to Article 46, and it shall be performed for each Standard Grade Material that is the same for Physically Delivered Futures Transactions, or for each Target of Trade, Type of Trade, and Contract Term that is the same for Cash-settled Futures.

Article 39. Deleted

(Settlement Price, Execution Price Differential, and Settlement Price Differential)

Article 40. The Settlement Price for each Clearing Period shall be the price determined by JSCC.

2. The amount obtained by multiplying the difference between the Settlement Price for each Clearing Period (for Cash-settled Rolling Spot Futures Transactions, this shall be the Theoretical spot price as provided for in Article 160, Paragraph 1; hereinafter, the same applies in this paragraph) and each execution price in that Clearing Period by the Contract Size ratio (referring to the Contract Size divided by the Quotation, separately for Standard Grade Materials for Physically Delivered Futures Transaction or Targets of Trades for Cash-settled Rolling Spot Futures Transactions; hereinafter, the same applies) shall be referred to as the Execution Price Differential, and the amount obtained by multiplying the difference between the Settlement Price for a single Clearing Period and the Settlement Price for the immediately preceding Clearing Period by the Contract Size ratio shall be referred to as the Settlement Price Differential.

(Submission of Detailed Statement of Open Positions)

Article 41. Trading Participants must submit the details of their short positions for sale and long positions for each Clearing Period to the Exchange by the date and time determined by the Exchange, by entering new volumes and volumes for each item into the clearing system; provided, however, that this information shall be submitted via a detailed statement of open positions in cases when there are obstacles to the operation of the clearing system.

2. The Exchange defines short positions for sale and long positions submitted as new positions in accordance with the rules in the preceding paragraph as short and long positions, respectively, while short positions for sale and long positions submitted as exited positions are those that are exiting positions by being equivalent to the opposite of existing positions.
3. If a Broker Participant submits a detailed statement of open positions as described in Paragraph 1, the number of unsettled positions on the Customer's account and on the Broker Participant's own account must be provided separately. In such cases, unsettled positions on the Customer's

account must be classified into unsettled positions of the Trading Participant that is the Customer and the unsettled positions of other parties when submitting the data.

(Disclosure of total transaction volume)

Article 42. The Exchange shall notify Trading Participants of the total transaction volumes for each type of Listed Commodity and Contract Term, as well as the amount of transactions closed, for each business day, during the day itself.

2. In cases described in the preceding paragraph, the Exchange shall notify Trading Participants of market information that presents the open, high, low, and close prices per unit amount closed for each type of Listed Commodity and Contract Term, during the day itself.

(Notification of Transaction Settlement Amount)

Article 43. After the transactions have ended for each Clearing Period, the Exchange shall calculate the amounts of gains or losses in relation to the Execution Price Differential and Settlement Price Differential, as provided for in Article 40, Paragraph 2, for each Commodity Market and Trading Participant, based on the submission of detailed trade position statements from each Trading Participant, as provided for in Article 41, and notify the Trading Participants and JSCC of the amounts calculated; provided, however, that for Broker Participants, these amounts shall be categorized into those related to unsettled positions related to entrusted accounts and unsettled positions related to their own accounts.

2. The Exchange shall provide prompt notification for other matters that it deems necessary to notify JSCC.

(Position Reporting of Non-Clearing Participant)

Article 44. For each Clearing Period, Non-Clearing Participants who are Broker Participants (including Remote Broker Trading Participants; the same shall apply hereinafter in the following article, Article 46-7, and Article 49-2) shall report to the Designated Clearing Participant information concerning short positions and long positions for each Customer of these items (referring to the Customer of Intermediary in cases when the Customer is an Intermediary) (including Overseas Customers; hereinafter, the same applies in this article, the following article, Article 46-7, and Article 46-8) and subdivided in accordance with any voluntary subdivision of Customers, for trades for each contract month, by each omnibus account, as provided for in the Business Rules, by the time specified by the relevant Designated Clearing Participant; provided, however, that this shall not apply in cases when the Designated Clearing Participant can obtain the information for this report in each Clearing Period.

(Obligation to Report the Information Related to Transactions of Customers)

Article 45. In cases when a Designated Clearing Participant requires a report concerning the number of unsettled positions based on entrustment from a Customer who is a Non-Clearing Participant (including it in cases when the Customer is an Intermediary; hereinafter, the same applies in this article and Article 46-8) and other matters related to the Customer's trades that JSCC has deemed necessary, in order to submit a report from the Designated Clearing Participant to JSCC in relation to the report described in the preceding article, the Non-Clearing Participant who is a Broker Participant must immediately submit documentation providing this information to the Designated Clearing Participant.

(Receipt and Payment of Execution Price Differential and Settlement Price Differential)

Article 46. The receipt and payment of the Execution Price Differential and the Settlement Price Differential shall be conducted between Non-Clearing Participants and Designated Clearing Participants. In such cases, a paying Non-Clearing Participant must deliver funds to the Designated Clearing Participant by the date and time specified by the Designated Clearing Participant, by no later than the settlement cutoff time prescribed in the Business Rules.

## Section 2 Index Futures Transactions

### (Method of Covering Open Positions)

Article 46-2. The method of covering open positions shall be as provided for from the following article to Article 46-9, and it shall be performed for each position with the same Listed Commodity Index and Contract Term.

### (Settlement Value, Execution Price Differential, and Settlement Price Differential)

Article 46-3. The Settlement Value for each Clearing Period shall be the value determined by JSCC.

2. The amount obtained by multiplying the difference between the Settlement Value for each Clearing Period and each Execution Value for the Clearing Period by the contract size ratio (referring to the value obtained by multiplying the Contract Size provided for in Article 14-6 by the Execution Value; hereinafter, the same applies) shall be referred to as the Execution Price Differential, and the amount obtained by multiplying the difference between the Settlement Value for a single Clearing Period and the Settlement Value for the immediately preceding Clearing Period by the contract size ratio shall be referred to as the Settlement Price Differential.

### (Submission of Detailed Statement of Open Positions)

Article 46-4. Trading Participants must submit the details of their short positions for sale and long positions for each Clearing Period to the Exchange by the date and time determined by the Exchange, by entering new volumes and volumes for each item into the clearing system; provided, however, that this information shall be submitted via a detailed statement of open positions in cases when there are obstacles to the operation of the clearing system.

2. The Exchange defines short positions for sale and long positions submitted as new positions in accordance with the rules in the preceding paragraph as short and long positions, respectively, while short positions for sale and long positions submitted as exited positions are those that are exiting positions by being equivalent to the opposite of existing positions.
3. If a Broker Participant submits a detailed statement of open positions as described in Paragraph 1, the number of unsettled positions on the Customer's account and on the Broker Participant's own account must be provided separately. In such cases, unsettled positions on the Customer's account must be classified into unsettled positions of the Trading Participant that is the Customer and the unsettled positions of other parties when submitting the data.

### (Disclosure of total transaction volume)

Article 46-5. The Exchange shall notify Trading Participants of the total transaction volumes for each type of Listed Commodity Index and Contract Term, as well as the execution value of transactions closed, for each business day, during the day itself.

2. In cases described in the preceding paragraph, the Exchange shall notify Trading Participants of market information that presents the open, high, low, and final execution values that transactions were executed at for each type of Listed Commodity Index and Contract Term, during the day itself.

### (Notification of Transaction Settlement Amount)

Article 46-6. After the transactions have ended for each Clearing Period, the Exchange shall calculate the amounts of gains or losses in relation to the Execution Price Differential and Settlement Price Differential, as provided for in Article 46-3, Paragraph 2, for each Commodity Market and Trading Participant, based on the submission of detailed trade position statements from each Trading Participant, as provided for in Article 46-4, and notify the Trading Participants and JSCC of the amounts calculated; provided, however, that for Broker Participants, these amounts shall be categorized into those related to unsettled positions related to entrusted accounts and unsettled positions related to their own accounts.

2. The Exchange shall provide prompt notification for other matters that it deems necessary to notify JSCC.

### (Position Reporting of Non-Clearing Participant)

Article 46-7. For each Clearing Period, Non-Clearing Participants who are Broker Participants shall

report to the Designated Clearing Participant information concerning short positions and long positions for transactions with the same Contract Term for each Customer of these items and each subdivision, in the event that Customers have been voluntarily subdivided, for each omnibus account as provided for in the Business Rules on Business of Assuming Commodity Transaction Debts, by the deadline specified by the Designated Clearing Participant provided, however, that this shall not apply in cases when the Designated Clearing Participant can obtain the information for this report in each Clearing Period.

(Obligation to Report the Information Related to Transactions of Customers)

Article 46-8. In cases when a Designated Clearing Participant requires a report concerning the number of unsettled positions based on entrustment from a Customer who is a Non-Clearing Participant and other matters related to the Customer's trades that JSCC has deemed necessary, in order to submit a report from the Designated Clearing Participant to JSCC in relation to the report described in the preceding article, the Non-Clearing Participant who is a Broker Participant must immediately submit documentation providing this information to the Designated Clearing Participant.

(Receipt and Payment of Execution Price Differential and Settlement Price Differential)

Article 46-9. The receipt and payment of the Execution Price Differential and the Settlement Price Differential shall be conducted between Non-Clearing Participants and Designated Clearing Participants. In such cases, a paying Non-Clearing Participant must deliver funds to the Designated Clearing Participant by the date and time specified by the Designated Clearing Participant, by no later than the settlement cutoff time prescribed in the Business Rules.

## Chapter 7 Delivery for Physically Delivered Futures Transactions

### Section 1 General Provisions

(Settlement by Delivery)

Article 47. The settlement by delivery for Physically Delivered Futures Transactions shall be conducted between Clearing Participants and JSCC as set forth in the Enforcement Rules on Delivery for each Standard Grade Material and the Business Rules, in addition to the provisions of this chapter.

2. In cases where a Non-Clearing Participant who is an interested party in the delivery will not perform delivery for delivery positions that were to be settled by delivery pursuant to the provisions of the preceding paragraph, the Non-Clearing Participant shall comply with any instructions, etc., given to the Designated Clearing Participant of the Non-Clearing Participant by JSCC. 3. In cases described in the preceding paragraph, when a Non-Clearing Participant who is an interested party in the delivery will intentionally not perform delivery, regardless of the fact that there are no unavoidable reasons, the Exchange shall impose sanctions on the Non-Clearing Participant, pursuant to the provisions of Article 137.

(Warehouse Receipt for Delivered Materials, etc.)

Article 48. The delivery of soybeans and azuki beans on the Agricultural Market must be conducted with a warehouse receipt ("Designated Warehouse Receipt") issued by a warehouse ("Designated Warehouse") designated by the Exchange.

2. The delivery of corn on the Agricultural Market and raw sugar on the Sugar Market must be conducted with a bill of lading prepared by the seller or the shipping company, etc., as instructed by the seller, the Ship Delivery Orders, and other delivery documents determined by JSCC and the Exchange.

(Storage of Designated Warehouse Receipts, etc., by Customers)

Article 49. If a Customer intends to provide a Designated Warehouse Receipt, etc., for the delivery for the Exchange, in order to perform the delivery as provided for in each paragraph of the preceding Article, the Broker Participant that is the agent of this Customer must store the Designated Warehouse Receipt until the delivery.

(Delivery of Delivery Charge etc. for Customer Positions by Non-Clearing Participants who are Broker Participants)

Article 49-2. If a Customer (including Overseas Customers below in this article) delivers money, securities, or other items for the settlement of delivery (hereinafter, referred to as "Delivery Charge, etc." in this article), the Non-Clearing Participant who is a Broker Participant shall, as an agent for the relevant Customer, deliver the Delivery Charge, etc., to the Designated Clearing Participant by the date and time specified by the Designated Clearing Participant, which will be no later than the cutoff time prescribed by JSCC.

## Section 2 Soybeans

(Response to Retention Method for Qualified Invoices)

Article 49-3. Cases when sellers may deliver soybeans (in the case of a transaction on the Customer's account, the relevant Customer; hereinafter, the same applies in this section, the next section, and Section 5) 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 delivery as part of its business operations.

2. A Trading Participant who is a seller shall notify the Exchange of its registration number (referring to a registration number as provided for in Article 57-2, paragraph 4 of the Consumption Tax Act; hereinafter, the same applies) (in the case of a transaction on a Customer's account, the name or trade name and registration number of the relevant Customer; the same applies in Article 54-2, Paragraph 2), by no later than 4:40 p.m. on the Last Trading Day of the current contract month (in the case of early delivery as set forth in Article 52, by the time of application for the early delivery).
3. In cases when a seller ceases to be a business issuer of qualified invoices after notification of the registration number and before the completion of delivery, the Trading Participant who is the seller shall promptly notify the Exchange to that effect. In such cases, the Exchange shall immediately notify JSCC to that effect.
4. In cases when a seller 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 is incomplete, the notification shall be deemed not to have been provided.
5. A Trading Participant who is a buyer shall promptly notify the Exchange of the name or trade name to whom it provides qualified invoices as provided for in Article 53-2, Paragraph 1.

(Place of Delivery)

Article 50. The place of delivery shall be the Designated Warehouse provided for in the Enforcement Rules on the Delivery of Soybeans; provided, however, that this shall not apply for Spot Transactions when the interested parties have come to an agreement and received the approval of the Exchange.

(Delivery Date and Time)

Article 51. The delivery date for Physically Delivered Futures Transactions shall be the business day prior to the final business day of each even month, except in cases of early delivery, as provided for in the following article; provided, however, that the delivery date for December shall be December 24 (if this day is a holiday, it shall be brought forward in order).

2. The delivery day for Spot Transactions shall be the delivery contract date.

(Early Delivery)

Article 52. Trading Participants with unsettled positions for the current contract month may perform delivery for these positions, in whole or in part, earlier than the delivery day provided for in Paragraph 1 of the preceding article (hereinafter, referred to as "early delivery" in this section), if they wish to do so, as set forth in the Enforcement Rules on Delivery of Soybeans.

(Delivery Price, Delivery Charge, and Consumption Tax)



Article 53. The delivery price for Physically Delivered Futures Transactions shall be the final Settlement Price for the current contract month; provided, however, that in the case of early delivery in accordance with the provisions of the preceding article, this shall be the Settlement Price for the current contract month on the business day prior to the delivery day for the early delivery.

2. Delivery charge for Physically Delivered Futures Transactions shall be an amount obtained by adding or subtracting the grading amount versus the Standard Grade Material to or from the delivery price in the preceding paragraph, multiplied by the number of units for delivery.
3. Consumption tax imposed on the delivery shall be an amount calculated using the delivery charge provided for in the preceding paragraph as the tax base (with amounts less than one (1) yen rounded down).

(Delivery or Provision of Qualified Invoices, etc.)

Article 53-2. Pursuant to the provisions of Article 70-12, paragraph 1 of the Enforcement Order of the Consumption Tax Law (Cabinet Order No. 360 of 1988), after the settlement by delivery, the Exchange shall, in place of the seller, promptly deliver or provide a qualified invoice (referring to a qualified invoice as provided for in Article 57-4, paragraph 1 of the Consumption Tax Act; hereinafter, the same applies) (as information about the seller, this shall include the name and registration number of the Exchange, and as information about the buyer, it shall include the name or trade name of the party to whom the qualified invoice will be provided, as notified pursuant to the provisions of Article 49-3, Paragraph 5; hereinafter, the same applies in Paragraph 2, Paragraph 3, and Paragraph 5).

2. When a qualified invoice is issued to a buyer pursuant to the provisions of the preceding paragraph, the Exchange shall deliver or provide to the seller a settlement note (this shall be the qualified invoice with the information concerning the buyer omitted; hereinafter, the same applies in this article).
3. The provisions of the preceding two paragraphs notwithstanding, in cases when a notification as set forth in Article 49-3, Paragraph 2 or Paragraph 5 has not been provided, the Exchange shall not deliver or issue a qualified invoice to the buyer, nor a settlement note to the seller.
4. When JSCC deems that an accident has occurred to the delivering materials and the discounted amount therefor has been transferred, pursuant to the provisions of Article 8, Paragraph 4 of the Rules on Handling concerning Settlement by Delivery related to Products Listed on Osaka Dojima Exchange, the Exchange shall deliver or provide to the buyer a qualified refund invoice (referring to a qualified refund invoice as set forth in Article 57-4, paragraph 3 of the Consumption Tax Act; hereinafter, the same applies) (as information about the seller, this shall include the name and registration number of the Exchange, and as information about the buyer, it shall include the name or trade name to whom the qualified invoice will be provided, as notified pursuant to the provisions of Article 49-3, Paragraph 5; hereinafter, the same applies in the next paragraph), and shall deliver or provide to the seller a settlement note that omits the information concerning the buyer from the qualified refund invoice.
5. The Exchange may, in lieu of the delivery of a qualified invoice, qualified refund request, 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 58-2, Paragraph 5).

(Terms for Designated Warehouse Receipts)

Article 54. There must be one (1) Designated Warehouse Receipt related to the delivery of soybeans for each delivery unit, as provided for in Article 14, of the same type, item, country of origin, shipping date, and grade. Fire insurance coverage must be provided with an amount equivalent to the market value at the time of deposit as the insurance amount, and there must be no notice regarding accidents, etc.

### Section 3 Azuki Beans

(Response to Retention Method for Qualified Invoices)

Article 54-2. Cases when sellers may deliver azuki beans shall be restricted to cases when a business issuer of qualified invoices performs the delivery as part of its business operations.

2. A Trading Participant who is a seller shall notify the Exchange of its registration number, by no later than 4:40 p.m. on the last session of the current contract month (in the case of early delivery as set forth in Article 57, by the time of application for the early delivery).
3. In cases when a seller ceases to be a business issuer of qualified invoices after notification of the registration number and before the completion of delivery, the Trading Participant who is the seller shall promptly notify the Exchange to that effect. In such cases, the Exchange shall immediately notify JSCC to that effect.
4. In cases when a seller 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 is incomplete, the notification shall be deemed not to have been provided.
5. A Trading Participant who is a buyer shall promptly notify the Exchange of the name or trade name of the party to whom it provides qualified invoices as provided for in Article 58-2, Paragraph 1.

(Place of Delivery)

Article 55. The place of delivery shall be the Designated Warehouse provided for in the Enforcement Rules on Delivery of Azuki Beans. provided, however, that this shall not apply for Spot Transactions when the interested parties have come to an agreement and received the approval of the Exchange.

(Delivery Date and Time)

- Article 56. The delivery date for Physically Delivered Futures Transactions shall be the business day prior to the final business day of each month, except in cases of early delivery, as provided for in the following article; provided, however, that the delivery date for December shall be December 24 (if this day is a holiday, it shall be brought forward in order).
2. The delivery day for Spot Transactions shall be the delivery contract date.

(Early Delivery)

Article 57. Trading Participants with unsettled positions for the current contract month may perform delivery for these positions, in whole or in part, earlier than the delivery day provided for in Paragraph 1 of the preceding article (hereinafter, referred to as "early delivery" in this section), if they wish to do so, as set forth in the Enforcement Rules on Delivery of Azuki Beans.

(Delivery Price, Delivery Charge, and Consumption Tax)

- Article 58. The delivery price for Physically Delivered Futures Transactions shall be the final Settlement Price for the current contract month; provided, however, that in the case of early delivery in accordance with the provisions of the preceding article, this shall be the Settlement Price for the current contract month on the business day prior to the delivery day for the early delivery.
2. Delivery charge for Physically Delivered Futures Transactions shall be an amount obtained by adding or subtracting the grading amount versus the Standard Grade Material to or from the delivery price in the preceding paragraph, multiplied by the number of units for delivery.
  3. Consumption tax imposed on the delivery shall be an amount calculated using the delivery charge provided for in the preceding paragraph as the tax base (with amounts less than one (1) yen rounded down).

(Delivery or Provision of Qualified Invoices, etc.)

- Article 58-2. Pursuant to the provisions of Article 70-12, paragraph 1 of the Enforcement Order of the Consumption Tax Law, after the settlement by delivery, the Exchange shall, in place of the seller, promptly deliver or provide a qualified invoice (as information about the seller, this shall include the name and registration number of the Exchange, and as information about the buyer, it shall include the name or trade name of the party to whom the qualified invoice will be provided, as notified pursuant to the provisions of Article 54-2, Paragraph 5; hereinafter, the same applies in Paragraph 2, Paragraph 3, and Paragraph 5).
2. When a qualified invoice is issued to a buyer pursuant to the provisions of the preceding paragraph, the Exchange shall deliver or provide to the seller a settlement note (this shall be the qualified invoice with the information concerning the buyer omitted; hereinafter, the same

applies in this article).

3. The provisions of the preceding two paragraphs notwithstanding, in cases when a notification as set forth in Article 49-3, Paragraph 2 or Paragraph 5 has not been provided, the Exchange shall not deliver or issue a qualified invoice to the buyer, nor a settlement note to the seller.
4. When JSCC deems that an accident has occurred to the delivering materials and the discounted amount therefor has been transferred, pursuant to the provisions of 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, the Exchange shall deliver or provide to the buyer a qualified refund invoice (as information about the seller, this shall include the name and registration number of the Exchange, and as information about the buyer, it shall include the name or trade name to whom the qualified invoice will be provided, as notified pursuant to the provisions of Article 54-2, Paragraph 5; hereinafter, the same applies in the next paragraph), and shall deliver or provide to the seller a settlement note that omits the information concerning the buyer from the qualified refund invoice.
5. The Exchange 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.

(Terms for Designated Warehouse Receipts)

Article 59. There must be one (1) Designated Warehouse Receipt related to the delivery of azuki beans for each delivery unit, as provided for in Article 14, of the same type, item, year of production, and grade. Fire insurance coverage must be provided with an amount equivalent to the market value at the time of deposit as the insurance amount, and there must be no notice regarding accidents, etc.

## Section 4 Corn

(Port of Unloading)

Article 60. The port where unloading may be performed (hereinafter, the "Port of Unloading" in this section) shall be as set forth in the Enforcement Rules on Delivery of Corn; provided, however, that in cases of early delivery as provided for in Article 62 or cases when the interested parties in the delivery have formed an agreement in accordance with the procedures set forth by JSCC and notified JSCC to that effect, unloading may be performed at a port the interested parties in the delivery have mutually agreed upon.

(Delivery Date and Time)

Article 61. The delivery date for Physically Delivered Futures Transactions shall be the business day prior to the first planned date of unloading, between the first and the final business day of the current contract month, except in cases of early delivery, as provided for in the following article; provided, however, that this shall not apply in the event of a shipping accident or other circumstances set forth in the Enforcement Rules on Delivery of Corn.

(Early Delivery)

Article 62. Trading Participants with unsettled positions for the current contract month may perform delivery for these positions, in whole or in part, prior to the arrival of the delivery day provided for in the preceding article (hereinafter, referred to as "early delivery" in this section), if they wish to do so, as set forth in the Enforcement Rules on Delivery of Corn.

(Delivery Price and Delivery Charge)

Article 63. The delivery price shall be the Settlement Price for the current contract month on the Last Trading Day of the current contract month. provided, however, that in the case of early delivery in accordance with the provisions of the preceding article, this shall be the Settlement Price for the current contract month on the day for which approval for early delivery has been applied for.

2. Delivery charge shall be an amount obtained by adding or subtracting the grading amount versus the Standard Grade Material to or from the delivery price in the preceding paragraph, multiplied by the number of units for delivery.

## Section 5 Deleted

Articles 64 through 68-2 Deleted

## Section 6 Raw Sugar

(Port of Unloading)

Article 69. The port where unloading may be performed (hereinafter, the "Port of Unloading" in this section) shall be as set forth in the Enforcement Rules on Delivery of Raw Sugar; provided, however, that this shall not apply for Spot Transactions when the interested parties have come to an agreement and received the approval of the Exchange.

(Unloading)

Article 70. Of the ports provided for in the preceding article, the buyer may designate a port as the Port of Unloading and perform unloading when the volume that a single buyer intends to unload (the "Volume for Unloading") or the total Volume for Unloading of two (2) or more buyers is at least equal to a volume separately determined by the Exchange (the "Fixed Volume") for a given port (including the wharf; hereinafter, the same applies in this article).

2. If the conditions set forth in the preceding paragraph are not fulfilled or the conditions are fulfilled but the buyer does not designate a Port of Unloading, unloading may be performed in accordance with any of the following items.

(1) If a mutual agreement has been formed between the buyer and the seller, unloading shall be performed at the port agreed upon.

(2) If an agreement cannot be obtained as described in the previous item, unloading shall be performed at a port designated by the buyer from among the Port of Izumisano, Port of Sakai, Port of Osaka, or Port of Kobe (if there are two (2) or more buyers and no conclusion is reached in deliberations concerning the designation of a Port of Unloading between the buyers, it shall be a port designated in accordance with the judgment of the Exchange); provided, however, that if the seller pays other charges, etc., to the buyer, as separately determined by the Exchange, unloading may be performed at a port designated by the seller, from among the Port of Izumisano, Port of Sakai, Port of Osaka, or Port of Kobe.

(Delivery Date and Time)

Article 71. The delivery day shall be the business day prior to the first planned date of unloading, except in cases of early delivery, as provided for in the following article.

2. The delivery day in the preceding paragraph shall be within the period from the 15th of each even month (if this day is a holiday, it shall be brought forward in order) until the final day of the following month.

3. The provisions of the preceding paragraph notwithstanding, delivery may be performed after the period provided for in the preceding paragraph has elapsed when any of the following items apply.

(1) When the ship of loading has entered a port in Japan from the place of origin during the period provided for in the preceding paragraph;

(2) When the ship of loading had plans to enter a port in Japan from the place of origin during the period provided for in the preceding paragraph, but it is delayed owing to a shipping accident or other circumstances set forth in the Enforcement Rules on Delivery of Raw Sugar.

(Early Delivery)

Article 72. Trading Participants with unsettled positions for the current contract month may perform delivery for these positions, in whole or in part, prior to the arrival of the delivery day provided for in the preceding article (hereinafter, referred to as "early delivery" in this section), if they wish to do so, as set forth in the Enforcement Rules on Delivery of Raw Sugar.

(Delivery Price and Delivery Charge)

Article 73. The delivery price shall be the Settlement Price for the current contract month on the Last Trading Day of the current contract month. provided, however, that in the case of early

delivery in accordance with the provisions of the preceding article, this shall be the Settlement Price for the current contract month on the day for which approval for early delivery has been applied for.

2. Delivery charge shall be an amount obtained by multiplying the delivery price in the preceding paragraph by the number of units for delivery.

Article 74. Deleted.

## Chapter 8 Clearing Margins

### (Clearing Margins)

Article 75. Clearing Margins shall be deposited with JSCC in order to ensure the performance of Clearing Participants' obligations to make payment or delivery to JSCC with respect to transactions on the Commodity Markets of the Exchange, and Non-Clearing Participants' obligations owed to Designated Clearing Participants with respect to the transactions on the Commodity Markets of the Exchange.

2. Amount Required for Margin to be deposited for transactions on the Commodity Markets of the Exchange shall be as set forth in each of the following items.

- (1) An Amount Required for Margin refers to a margin deposited with JSCC as set forth in the Margin Rules, for unsettled positions on the Commodity Markets of the Exchange.

- (2) A Delivery Margin refers to a margin deposited with JSCC for delivery positions in the case of settlement by delivery on the Commodity Markets of the Exchange, as set forth in the Margin Rules.

### (Type of Currencies)

Article 76. Clearing Margins, Customer Margins, and Intermediation Margins may be delivered or deposited only in the currencies set forth in the Margin Rules.

2. A Non-Clearing Participant may pay or deposit to the Designated Clearing Participant in the form of foreign currencies with prior consent of such Designated Clearing Participant.

### (Appropriation Securities etc.)

Article 77. Matters related to the Securities and Warehouse Receipts that can be deposited as Clearing Margins, Customer Margins, and Intermediation Margins ("Appropriation Securities, etc.") shall be as set forth in the Margin Rules.

2. In addition to the provisions of the preceding paragraph, the prior consent of a Designated Clearing Participant shall be required for procedures related to the delivery or deposit of Appropriation Securities, etc., by Non-Clearing Participants.

### (Clearing Margins for Clearing Participants)

Article 78. Matters concerning Clearing Margins for transactions by Clearing Participants on the Commodity Markets of the Exchange shall be as set forth in the Margin Rules.

### (Deposit of Clearing Margins for Proprietary Positions by Non-Clearing Participants)

Article 79. For any unsettled positions and delivery positions on their own account, a Non-Clearing Participant must deliver to the Designated Clearing Participant a Clearing Margin of the amount not less than the Amount Required for Margin for Proprietary Account of Trading Participants provided for in the Margin Rules. In such cases, the said Clearing Margin may be delivered in the form of the Appropriation Securities, etc., as set forth in the Margin Rules.

2. The provisions of the preceding paragraph notwithstanding, in cases where a Non-Clearing Participant has received acceptance from the Designated Clearing Participant and approval from JSCC, and has concluded a contract pursuant to provisions of Article 103, paragraph 8 of the Act as applied mutatis mutandis in the provisions of Article 179, paragraph 8 of the Act with a bank, etc. (referring to a bank, etc., as defined in Article 44, paragraph 1 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"); hereinafter, the same applies), then notified JSCC to that effect, a deferral of the deposit may be granted within the amount specified in the

relevant contract, as set forth in the Margin Rules.

(Delivery or Deposit of Clearing Margin for Entrusted Positions by Non-Clearing Participants who are Broker Participants)

Article 80. For unsettled positions and delivery positions held on the accounts of Customers (hereinafter, including Overseas Customers in this chapter), a Non-Clearing Participant who is a Broker Participant (hereinafter, including Remote Broker Trading Participants in this chapter) (hereinafter, referred to simply as "Non-Clearing Participants" in this article) must deliver to the Designated Clearing Participant a Clearing Margin of the amount not less than the Amount Required for Margin for the positions of Customers, as provided for in the following paragraph.

2. The Amount Required for Margin for the positions of Customers shall be the aggregate amount for all Customers of the Amount Required for Margin for each Customer as set forth in the Margin Rules for each class of account, pursuant to the provisions of the Business Rules (in cases where Customers have been voluntary subdivided, this shall refer to the aggregate amount of the Amount Required for Margin for these voluntary subdivisions of the Customers; hereinafter, the same applies in Paragraph 7 and Article 83, Paragraph 4).
3. A Non-Clearing Participant, acting as the agent of the customer, shall deposit with the Designated Clearing Participant the whole amount of Clearing Margins deposited by a customer.
4. The provisions of the preceding paragraph notwithstanding, during a period of four (4) business days starting from the day on which a customer delivers a Clearing Margin, a Non-Clearing Participant may deliver as a Clearing Margin with the Designated Clearing Participant the amount not less than the sum of the amount of money delivered as the Clearing Margin by the Customer and the appraised market value (referring to the appraised market value as set forth in the Margin Rules; hereinafter, the same applies) for the Appropriation Securities, etc. In such cases, the said Clearing Margin may be delivered in the form of the Appropriation Securities, etc.
5. In cases where a Customer deposits a Customer Margin (referring to money and Appropriation Securities, etc., deposited with JSCC for its management by the Non-Clearing Participant through the Designated Clearing Participant acting as the agent thereof, as a Clearing Margin with money and Appropriation Securities, etc., of an amount at least equivalent to the Customer Margin deposited with the consent of the Customer; hereinafter, the same applies in this article and Article 83, Paragraphs 3 and 4), the Non-Clearing Participant must deliver to the Designated Clearing Participant as the Clearing Margin an amount not less than the sum of the amount of money and the appraised market value of the Appropriation Securities, etc., deposited by the Customer as the Customer Margin. In such cases, the said Clearing Margin may be delivered in the form of the Appropriation Securities, etc.
6. The provisions of the preceding paragraph notwithstanding, in cases where a Non-Clearing Participant has concluded a contract with a bank, etc., with the approval of the competent minister pursuant to the provisions of Article 103, paragraph 7 of the Act as applied mutatis mutandis in the provisions of Article 179, paragraph 7 of the Act, and has notified JSCC to that effect, a deferral of the deposit may be granted within the amount specified in the relevant contract, as set forth in the Margin Rules.
7. In cases set forth in Paragraphs 3 through the preceding paragraph, if the sum of the amount of money and the appraised value of Appropriation Securities, etc., determined by using the Substituting Price delivered as Clearing Margin or Customer Margin by each Customer with a Non-Clearing Participant is less than the Amount Required for Margin for the relevant Customer, as set forth in the Margin Rules, the Non-Clearing Participant must deliver as Clearing Margin to the Designated Clearing Participant an amount of money not less than the difference between such Amount Required for Margin for Proprietary Account of Trading Participants and the amount of Clearing Margin or Customer Margin delivered by the said Customers. In such cases, the said Clearing Margin may be delivered in the form of the Appropriation Securities, etc.

(Special Rules for the Clearing Margin Deposited by the Intermediary)

Article 81. The provisions of Paragraph 3 of the preceding article notwithstanding, in cases where the Clearing Margin that was delivered to a Non-Clearing Participant who is a Broker Participant was delivered as the agent of the Customer of Intermediaries, the Non-Clearing Participant must deliver the whole amount to the Designated Clearing Participant as the agent of the Customer of Intermediaries.

(Cutoff Time for Delivery of Clearing Margins Applied to Non-Clearing Participants)

Article 82. The delivery of Clearing Margins provided for in the preceding three articles shall be performed with an explicit indication of which of the classifications in each of the following items it falls under, by the date and time specified by the Designated Clearing Participant, which is no later than the deposit cutoff time set forth in the Margin Rules.

- (1) Clearing Margin for the proprietary positions of Non-Clearing Participants
- (2) Clearing Margin for the positions of Customers of Non-Clearing Participants (direct deposit)
- (3) Clearing Margin for the positions of Customers of Non-Clearing Participants (replacement deposit of Intermediaries)
- (4) Clearing Margin for the positions of Customers of Non-Clearing Participants (replacement deposit).

(Maintenance of Clearing Margins by Non-Clearing Participants)

Article 83. In cases where the sum of the amount of money, the appraised value of Appropriation Securities, etc., determined using the Substituting Price, and the amount for which a deferral of deposit has been granted pursuant to the provisions of the Margin Rules, which has been delivered as Clearing Margins for proprietary positions with a Designated Clearing Participant, is less than the Amount Required for Margin for proprietary positions provided for in the Margin Rules, a Non-Clearing Participant must additionally deliver to the Designated Clearing Participant an amount of money not less than the amount of the shortfall as Clearing Margin for proprietary positions, by the date and time specified by the Designated Clearing Participant, which will be no later than the deposit cutoff time prescribed in the Margin Rules. In such cases, the said Clearing Margin may be delivered in the form of the Appropriation Securities, etc.

2. In cases where the sum of the amount of money and the appraised market value of Appropriation Securities, etc., which has been delivered or deposited as Clearing Margins for the positions of Customers to the Designated Clearing Participant is less than the Amount Required for Margin for the positions of Customers for each classification of accounts provided for in the Business Rules, the Non-Clearing Participant who is a Broker Participant must additionally deliver to the Designated Clearing Participant an amount of money not less than the amount of the shortfall, by the date and time specified by the Designated Clearing Participant, which will be no later than the deposit cutoff time prescribed in the Margin Rules. In such cases, the said Clearing Margin may be delivered or deposited in the form of Appropriation Securities, etc.
3. In cases where the sum of the amount of money and the appraised market value of Appropriation Securities, etc., delivered to a Designated Clearing Participant as Clearing Margin for the positions of Customers pursuant to the provisions of Paragraphs 3 through 6 of Article 80 or Article 81 is less than the sum of the amount of money and the appraised market value of Appropriation Securities, etc., delivered by the Customer as Clearing Margin or deposited as Customer Margin, the Non-Clearing Participant who is a Broker Participant must additionally deliver to the Designated Clearing Participant an amount of money not less than the amount of shortfall as Clearing Margin for the positions of Customers, by the date and time specified by the Designated Clearing Participant, which will be no later than the deposit cutoff time prescribed in the Margin Rules, in accordance with the provisions of Paragraphs 3 through 6 of Article 80 or Article 81.
4. In cases where the sum of the amount of money and the appraised value of Appropriation Securities, etc., determined using the Substituting Price delivered as Clearing Margin or deposited as Customer Margin by each Customer is less than the Amount Required for Margin for the positions of Customers provided for in the Margin Rules, the Non-Clearing Participant who is a Broker Participant must additionally deliver to the Designated Clearing Participant an amount of money not less than the amount of the shortfall as Clearing Margin for the positions of Customers by the date and time specified by the Designated Clearing Participant, which will be no later than the deposit cutoff time provided for in the Margin Rules, in accordance with the provisions of Article 80, Paragraph 7.

## Chapter 9 Default Procedures

### (Default Procedure)

- Article 84. In the event that a Trading Participant who is a Clearing Participant becomes a defaulting person under the provisions of Article 140, Paragraph 1 (including cases in which the application is due to the provisions of Paragraph 2 or Paragraph 3 of the same), the disposal of all unsettled positions held by the relevant Trading Participant at the time of default shall be performed by the Exchange in accordance with the procedures set forth in the Business Rules.
2. In the event that a Trading Participant who is a Non-Clearing Participant becomes a defaulting person under the provisions of Article 140, Paragraph 1 (including cases in which the application is due to the provisions of Paragraphs 2 through 4 of the same), the disposal of all unsettled positions held by the relevant Trading Participant at the time of default shall be performed by the Exchange in accordance with the procedures determined by the Exchange.
  3. In the event that the unsettled positions of Customers have been designated as the Early Termination Allocated Positions or the Delivery Positions Opposite Defaulting Positions as set forth in the Business Rules, a Trading Participant shall immediately allocate such Early Termination Allocated Positions or Delivery Positions Opposite Defaulting Positions to each Customer in a manner prescribed in advance.
  4. In cases provided for in the preceding paragraph, a Trading Participant shall promptly provide notification to the Customer who is allocated the Early Termination Allocated Positions or Delivery Positions Opposite Defaulting Positions, the commodity concerning the relevant allocation, Contract Term, and quantity.

### (Treatment of Unsettled Proprietary Positions of a Defaulting Person)

- Article 84-2 In cases where the Exchange suspends transactions on the Commodity Markets of the Exchange (referring to the suspension of transactions as provided for in each item of Article 139, Paragraph 1; hereinafter, referred to as the “suspension of transactions, etc.” in this chapter) by a Defaulting Person (meaning a Trading Participant who is a Clearing Participant who became a Defaulting Person under the provisions of Article 140, Paragraph 1 and Paragraph 2, and a Non-Clearing Participant who became a Defaulting Person pursuant to the provisions of Article 140, Paragraph 4; hereinafter, the same applies in this chapter), the Exchange may require that another Broker Participant designated by the Exchange resales or repurchases the proprietary unsettled positions of the Defaulting Person.
2. In cases described in the preceding paragraph, an entrustment agreement between the other Broker Participant designated by the Exchange and the Defaulting Person shall be deemed to have been concluded.
  3. Notwithstanding the provisions of Paragraph 1, the treatment of unsettled positions for the proprietary account of the Trading Participant who is a Clearing Participant that is subject to suspension of obligation assumption pursuant to the provisions of the Business Rules of JSCC (limited to cases where JSCC determines that the Clearing Participant is insolvent or as necessary for other specific reasons) shall be in accordance with the Rules on Margins of JSCC.

### (Treatment of Unsettled Customer Positions of a Defaulting Person)

- Article 84-3. In cases where the Exchange imposes the suspension of transactions, etc., by a Defaulting Person, the Exchange may require that the unsettled positions entrusted by the Customer of the Defaulting Person (hereinafter, including Overseas Customers in this chapter, and excluding Customers set forth in each item of Article 84-5, Paragraph 1 in this article and the following article) are transferred to another Broker Participant (hereinafter, including Remote Broker Trading Participants in this article and the following article) designated by the Exchange (hereinafter, referred to as the “Transfer of Positions in the Event of Default” in this chapter), or require that another Broker Participant designated by the Exchange resales or repurchases such positions.
2. In cases where the Exchange has decided to perform the Transfer of Positions in the Event of Default, as described in the preceding paragraph, or require that another Broker Participant resales or repurchases the unsettled positions, the Defaulting Person must, subsequent to the suspension of transactions, etc., immediately notify its Customers that it has received the suspension of transactions, etc., and other matters deemed necessary by the Exchange.



(Transfer of Unsettled Positions Entrusted to a Defaulting Person by a Customer)

Article 84-4. The Transfer of Positions in the Event of Default as provided for in Paragraph 1 of the preceding Article shall be performed in cases when the Defaulting Person's Customer applies to another Broker Participant designated by the Exchange concerning the transfer of positions, and the other Broker Participant submits a written certification of receipt of the application and acceptance of the transfer of positions to the Exchange by the date and time specified by the Exchange.

2. In cases described in the preceding paragraph, the Exchange may request that the Defaulting Person submits a document stating matters that the Exchange deems necessary in order to perform the Transfer of Positions in the Event of Default, and it shall deliver this document to the other Broker Participant who will be the recipient of the Transfer of Positions in the Event of Default.
3. In cases of a Transfer of Positions in the Event of Default as prescribed in paragraph 1, the Settlement Price for the Clearing Period immediately prior to the Clearing Period to which such Transfer of Positions in the Event of Default belongs (for Cash-settled Futures, this shall be the theoretical spot price set forth in Article 160, Paragraph 1, and for Index Futures Transactions, this shall be the Settlement Value provided for in Article 46-3, Paragraph 1) shall be the execution price for such unsettled positions (for Index Futures Transactions, this shall be the execution value).
4. The resale or repurchase of unsettled positions entrusted by a Customer of a Defaulting Person as provided for in Paragraph 1 of the preceding Article shall be effected by another Broker Participant designated by the Exchange, in cases where the Defaulting Person submits written certification that the Defaulting Person has received an instruction from its Customer concerning the resale or repurchase of the unsettled positions entrusted by the Defaulting Person's Customer, by the date and time specified by the Exchange.
5. The Exchange may, with respect to unsettled positions entrusted by the Defaulting Person's Customer, as described in paragraph 1 of the preceding article, require that another Broker Participant designated by the Exchange performs the resale or repurchase, in cases when the document provided for in Paragraph 1 or the preceding paragraph is not submitted by the date and time specified by the Exchange.
6. In cases described in Paragraph 4 and the preceding paragraph, an entrustment agreement between the other Broker Participant designated by the Exchange and the Defaulting Person shall be deemed to have been concluded.

(Treatment of Unsettled Positions Entrusted by a Customer whose Performance Obligations are Accelerated)

Article 84-5. In cases where the Exchange imposes a suspension of transactions, etc., it may require that another Broker Participant designated by the Exchange performs the resale or repurchase of the unsettled positions entrusted by a Defaulting Person's Customer, as set forth in each of the following items.

- (1) A Customer whose obligations against a Defaulting Person pertaining to the Commodity Markets of the Exchange have been accelerated;
  - (2) A Customer that belongs, or may be deemed to substantially belong, to the same Corporate Group as the Defaulting Person, and to which the Exchange deems inappropriate to perform the Transfer of Positions in the Event of Default.
2. In cases described in the preceding paragraph, an entrustment agreement between the other Broker Participant designated by the Exchange and the Defaulting Person shall be deemed to have been concluded.

(Measures against Non-Clearing Participant in Cases where the Designated Clearing Participant goes into Default)

Article 84-6. In cases where the Exchange suspends the entrustment of Commodity Clearing Transactions by a Non-Clearing Participant who has been deemed to be a Defaulting Person owing to the fact that the Designated Clearing Participant became a Defaulting Person pursuant to the provisions of Article 140, Paragraph 3 (hereinafter, referred to as a "Defaulting Non-Clearing Participant pursuant to the provisions of Article 140, Paragraph 3" in this chapter), the Exchange may require that another Broker Participant performs the resale or repurchase of the proprietary positions of the Defaulting Non-Clearing Participant.

2. In cases described in the preceding paragraph, an entrustment agreement between the other Broker Participant designated by the Exchange and the Defaulting Non-Clearing Participant pursuant to the provisions of Article 140, Paragraph 3 shall be deemed to have been concluded.
3. The provisions of Article 84-3, Article 84-4, and the preceding article (excluding Paragraph 1, Item (2)) shall be applied mutatis mutandis in cases where a Defaulting Non-Clearing Participant pursuant to the provisions of Article 140, Paragraph 3 is subject to a suspension of the entrustment of Commodity Clearing Transactions in accordance with the provisions of Article 139, Paragraph 1, Items 2 through 5. In such a case, "suspension of transactions, etc." shall be deemed to be replaced with "suspension of entrustment of Commodity Clearing Transactions by the Defaulting Non-Clearing Participant pursuant to the provisions of Article 140, Paragraph 3," and "Defaulting Person" shall be deemed to be replaced with "Defaulting Non-Clearing Participant pursuant to the provisions of Article 140, Paragraph 3."
4. In the event the unsettled positions of a Defaulting Non-Clearing Participant pursuant to the provisions of Article 140, Paragraph 3 are to be transferred to another Broker Participant designated by the Exchange, or another Broker Participant designated by the Exchange is to perform the resale or repurchase of these unsettled positions as a measure against a Defaulting Non-Clearing Participant pursuant to the provisions of relevant Article 140, Paragraph 3, and who has received a suspension of entrustment of Commodity Clearing Transactions in accordance with the provisions of Article 139, Paragraph 1, Item (2), the right of agency of the Designated Clearing Participant with regard to the right held by a Defaulting Non-Clearing Participant pursuant to the provisions of relevant Article 140, Paragraph 3 to claim the return of the Clearing Margin shall be terminated.

(Treatment of Defaulting Clearing Participant's Clearing Margin for Customer Account)

Article 84-7. In the event the Exchange performs the Transfer of Positions in the Event of Default as entrusted by the Customer of a Clearing Participant who is a Defaulting Person in accordance with the provisions of Article 84-3, Paragraph 1, the handling of the Clearing Margin for positions on the Customer's account shall be in accordance with the Rules on Margins of JSCC.

(Treatment of Defaulting Non-Clearing Participant's Clearing Margin for Customer Account)

Article 84-8. In the event the Exchange performs the Transfer of Positions in the Event of Default as entrusted by a Customer of a Non-Clearing Participant deemed to be a Defaulting Person pursuant to the provisions of Article 140, Paragraph 4 (hereinafter, referred to as a "Defaulting Non-Clearing Participant pursuant to the provisions of Article 140, Paragraph 4" in this chapter), in accordance with the provisions of Article 84-3, Paragraph 1 (hereinafter, the other Broker Participant who receives the transfer is referred to as the "Transferee Broker Participant in the Event of Default" in this chapter), the Clearing Margin for the positions of Customers pertaining to the Customer deposited with JSCC by the Defaulting Non-Clearing Participant pursuant to the provisions of Article 140, Paragraph 4 (limited to the portion of which the Customer or Customer of Intermediaries has the right to claim the return in accordance with the provisions of the Rules on Margins of JSCC; the same shall apply in the following paragraph) shall be deemed to have been deposited with JSCC on the date of the Transfer of Positions in the Event of Default by the Transferee Broker Participant in the Event of Default (in the event the Transferee Broker Participant in the Event of Default is a Non-Clearing Participant, the Transferee Broker Participant in the Event of Default and its Designated Clearing Participant) as its agent.

2. Among the Clearing Margin for Customer Account pertaining to such customer that is deemed to be deposited to JSCC pursuant to the provisions of the preceding paragraph, the amount deposited as the Non-Clearing Participants' Clearing Margin for the Customer Account (Replacement Deposit) shall be the lesser of the amounts prescribed in each of the following items:
  - (1) The amount equivalent to the sum of money and the appraised market value of securities, etc., that the Customer deposited with the Defaulting Non-Clearing Participant pursuant to the provisions of Article 140, Paragraph 4 as a Customer Margin; or
  - (2) The amount calculated by subtracting JSCC's cost of acquisition of yen using the foreign currency in accordance with the provisions of the Rules on Margins of JSCC., or liquidation of the securities, etc., in accordance with the provisions of the Rules on Margins of JSCC.,

that were deposited by the Defaulting Non-Clearing Participant pursuant to the provisions of Article 140, Paragraph 4 as Clearing Margin (Replacement Deposit) for the Non-Clearing Participant's positions of Customers, from the Non-Clearing Participant's Clearing Margin for the positions of Customers (Replacement Deposit) that the Defaulting Non-Clearing Participant pursuant to the provisions of relevant Article 140, Paragraph 4 deposited with JSCC, and pro rating such amount in accordance with the amount equivalent to the sum of money and the appraised market value of securities, etc., deposited by each Customer with the Defaulting Non-Clearing Participant pursuant to the provisions of Article 140, Paragraph 4 as Customer Margin.

3. The provisions of the preceding two paragraphs shall be applied mutatis mutandis to cases where the Defaulting Non-Clearing Participant pursuant to the provisions of Article 140, Paragraph 3 is suspended from entrustment of Commodity Clearing Transactions in accordance with the provisions of Article 139, Paragraph 1, Item (2). In this case, "Article 84-3, Paragraph 1" shall be read as "Article 84-3, Paragraph 1 as applied mutatis mutandis to Article 84-6, Paragraph 3," and "Defaulting Non-Clearing Participant pursuant to the provisions of Article 140, Paragraph 4" shall be read as "Defaulting Non-Clearing Participant pursuant to the provisions of Article 140, Paragraph 3."

(Liquidation of Clearing Margin for Replacement Deposits, etc.)

Article 84-9. In the event the Exchange decides to subject the unsettled positions entrusted by a Customer of a Defaulting Non-Clearing Participant pursuant to the provisions of Article 140, Paragraph 4 to a resale or repurchase in accordance with the provisions of Article 84-3, Paragraph 1 or Article 84-5, Paragraph 1, or to perform a Transfer in the Event of Default in relation to unsettled positions entrusted by the Customer of the Defaulting Non-Clearing Participant pursuant to the provisions of Article 140, Paragraph 4, in accordance with the provisions of Article 84-3, Paragraph 1, if JSCC decides to acquire yen using all or part of the foreign currency, or liquidate all or part of the securities, etc., that have been deposited as the Non-Clearing Participant's Clearing Margin for the positions of Customers (Replacement Deposit) in a manner deemed appropriate by JSCC, an entrustment agreement between the Designated Clearing Participant of the Defaulting Non-Clearing Participant pursuant to the provisions of Article 140, Paragraph 4, the Defaulting Non-Clearing Participant pursuant to the provisions of Article 140, Paragraph 4, its Customer, and JSCC shall be deemed to have been concluded.

2. In the event the Exchange decides to subject the unsettled positions entrusted by a Customer of the Non-Clearing Participant pursuant to the provisions of Article 140, Paragraph 3 to a resale or repurchase in accordance with the provisions of Article 84-3, Paragraph 1 or Article 84-5, Paragraph 1, as applied mutatis mutandis to Article 84-6, Paragraph 3, or to perform a Transfer of Positions in the Event of Default in relation to positions entrusted by a Customer of the Defaulting Non-Clearing Participant pursuant to the provisions of Article 140, Paragraph 3, if JSCC decides to acquire yen using all or part of the foreign currency, or liquidate all or part of the securities, etc., that have been deposited as the Non-Clearing Participant's Clearing Margin for the positions of Customers (Replacement Deposit) in a manner deemed appropriate by JSCC, an entrustment agreement between the Designated Clearing Participant of the Defaulting Non-Clearing Participant pursuant to the provisions of Article 140, Paragraph 3, the Defaulting Non-Clearing Participant pursuant to the provisions of Article 140, Paragraph 3, its Customer, and JSCC shall be deemed to have been concluded.
3. In cases described in Paragraph 1, if the Intermediary is a Customer as set forth in each item of Article 84-5, Paragraph 1 and JSCC decides to acquire yen using all or part of the foreign currency, or liquidate all or part of the securities, etc., that have been deposited as the Non-Clearing Participant's Clearing Margin for the positions of Customers (Replacement Deposit by Intermediaries) in a manner deemed appropriate by JSCC, an entrustment agreement between the Designated Clearing Participant of the Defaulting Non-Clearing Participant pursuant to the provisions of Article 140, Paragraph 4, the Defaulting Non-Clearing Participant pursuant to the provisions of Article 140, Paragraph 4, its customer, and JSCC shall be deemed to have been executed.
4. In cases described in Paragraph 2, if the Intermediary is a Customer as set forth in Article 84-5, Paragraph 1, Item (1), as applied mutatis mutandis to Article 84-6, Paragraph 3, and JSCC decides to acquire yen using all or part of the foreign currency, or liquidate all or part of the

securities, etc., that have been deposited as the Non-Clearing Participant's Clearing Margin for the positions of Customers (Replacement Deposit by Intermediaries) in a manner deemed appropriate by JSCC, an entrustment agreement between the Designated Clearing Participant of the Defaulting Non-Clearing Participant pursuant to the provisions of relevant Article 140, Paragraph 3, the Defaulting Non-Clearing Participant pursuant to the provisions of relevant Article 140, Paragraph 3, its Customer and the Customer of Intermediaries, and JSCC shall be deemed to have been executed.

(Special provisions on Treatment of Clearing Margin for Replacement Deposits)

Article 84-10. In the event JSCC acquires yen using foreign currency or liquidates securities, etc., pursuant to the provisions of Paragraph 1 or 2 of the preceding Article, the Non-Clearing Participant's Clearing Margin for the positions of Customers (Replacement Deposit) shall be the money other than foreign currency pertaining to the acquisition, and securities, etc., other than the securities, etc., subject to liquidation, that have been deposited with JSCC as the Non-Clearing Participant's Clearing Margin for the positions of Customers (Replacement Deposit) by the Defaulting Non-Clearing Participant pursuant to the provisions of Article 140, Paragraph 4 or the Defaulting Non-Clearing Participant pursuant to the provisions of Article 140, Paragraph 3 as described in Paragraph 2 of the preceding article, and the amount of money calculated by subtracting the cost of acquisition from the money after the acquisition and subtracting the cost of liquidation from the money obtained from the liquidation.

2. In the event JSCC acquires yen using the foreign currency or liquidates securities, etc., in accordance with the provisions of Paragraph 3 or 4 of the preceding article, the Non-Clearing Participant's Clearing Margin for the positions of Customers (Replacement Margin by Intermediaries) shall consist of the money other than the foreign currency pertaining to acquisition, and securities, etc., other than the securities, etc., subject to liquidation, that have been deposited with JSCC as the Non-Clearing Participant's Clearing Margin for the positions of Customers (Replacement Margin by Intermediaries) by the Defaulting Non-Clearing Participant pursuant to the provisions of Article 140, Paragraph 4 or in the provisions of Article 140, Paragraph 3 as described in Paragraph 4 of the preceding article, and the amount of money calculated by subtracting the cost of acquisition from the money after the acquisition and subtracting the cost of liquidation from the money obtained from the liquidation.

(Special provisions on Right to Claim Return of Clearing Margin for Customer Account)

Article 84-11. A Customer's right to claim the return of the Clearing Margin for the positions of Customers deemed to be deposited with JSCC pursuant to the provisions of Article 84-8, Paragraph 1 (including cases when these provisions are applied mutatis mutandis to Paragraph 3 of the same Article) shall be exercised by the Transferee Broker Participant in the Event of Default, as provided for in Paragraph 1 of the same article, as its agent.

2. In the event the Exchange decides to subject the unsettled positions entrusted by a Customer of a Defaulting Non-Clearing Participant pursuant to the provisions of Article 140, Paragraph 4 (in the case of the mutatis mutandis application of these provisions to Article 84-6, Paragraph 3, this shall refer to the Defaulting Non-Clearing Participant pursuant to the provisions of Article 140, Paragraph 3; hereinafter, the same applies in this and the following article) to a resale or repurchase in accordance with the provisions of Article 84-3, Paragraph 1 or Article 84-5, Paragraph 1 (including cases when these provisions are applied mutatis mutandis to Article 84-6, Paragraph 3), or to perform a Transfer of Positions in the Event of Default in relation to the positions entrusted by the Customer of the Defaulting Non-Clearing Participant pursuant to the provisions of Article 140, Paragraph 4, in accordance with the provisions of Article 84-3, Paragraph 1 (including cases when these provisions are applied mutatis mutandis to Article 84-6, Paragraph 1), the right to claim the return of the Clearing Margin for the positions of Customers pertaining to the Customer of the Defaulting Non-Clearing Participant pursuant to the provisions of Article 140, Paragraph 4 (excluding Customers whose position was subjected to Transfer of Position in the Event of Default, in accordance with the provisions of Article 84-3, Paragraph 1 (including cases when these provisions are applied mutatis mutandis to Article 84-6, Paragraph 3)) may be exercised directly against JSCC as set forth in the JSCC Clearing Margin Rules. In this case, if the Clearing Margin for the positions of Customers pertaining to

this Customer is deposited as a Non-Clearing Participant's Clearing Margin for the positions of Customers (Replacement Deposit), the amount shall be limited to the lesser of the amounts set forth in each item of Article 84-8, Paragraph 2.

(Special provisions on Right to Claim Return Clearing Margin for Customer Account of Intermediaries)

Article 84-12. In the event the Exchange decides to subject the unsettled positions associated with the brokerage of entrustment by a Customer of Intermediaries of a Customer of a Defaulting Non-Clearing Participant pursuant to the provisions of Article 140, Paragraph 4 to a resale or repurchase in accordance with the provisions of Article 84-5, Paragraph 1 (including cases when these provisions are applied mutatis mutandis to Article 84-6, Paragraph 3), if the Intermediaries is a Customer as set forth in each of the items of Article 84-5, Paragraph 1, the right to claim return held by the relevant Customer of Intermediaries of the Intermediaries may be exercised directly against JSCC as set forth in the Rules on Margins of JSCC..

(Treatment of Other Matters concerning Transfer of Positions during Trading Suspensions, etc.)

Article 84-13. In addition to the provisions in this chapter, necessary matters pertaining to the Transfer of Positions in the Event of Default, etc., shall be determined by the Exchange on a case-by-case basis.

#### Chapter 10 Measures in Case of Abolishment, Suspension, etc., of Listed Commodities, etc.

(Settlement Method)

Article 85. In cases where the Exchange will abolish or suspend all or some Listed Commodities or Listed Commodity Indexes, abolish or suspend all or some Listed Commodity Component Products, Listed Commodity Index Underlying Products, Standard Grade Material for a Physically Delivered Futures Transaction, the Target of a Cash-settled Futures Trade, or the Target of an Index Futures Transaction, abolish or change the Types of Trade, or change the contract terms, the Exchange shall designate the effective date of such abolishment, suspension, or change, and all unsettled positions at the close of the Day Sessions on this date of abolishment, suspension, or change (excluding unsettled positions pertaining to the current contract month if this date falls on the Last Trading Day of the current contract month or the final day of transactions of the current contract month) shall be settled at the Settlement Price or Settlement Value by resale or repurchase.

#### Chapter 11 Transfer of Unsettled Positions, etc.

(Transfer of Positions)

Article 86. A Trading Participant may transfer proprietary unsettled positions (excluding unsettled positions during or after the Clearing Period following the Clearing Period to which the Last Trading Day of the current contract month (final day of transactions of the current contract month for Index Futures Transactions) belongs; hereinafter, the same applies in this chapter) and the unsettled positions of Customers to other Trading Participants (hereinafter, referred to as the "Transfer of Positions").

(Transfer of Positions of Clearing Participants)

Article 87. Matters related to the unsettled positions of Clearing Participants for Physically Delivered Futures Transactions shall be performed in accordance with the procedures set forth in the Business Rules.

(Transfer of Positions of Non-Clearing Participants)

Article 88. If a Non-Clearing Participant intends to transfer unsettled positions, he or she must obtain approval for the transfer of unsettled positions from the Designated Clearing Participant, and must also report to the Designated Clearing Participant the volume of unsettled positions to be transferred for each Standard Grade Material for Physically Delivered Futures Transactions, Target of Cash-settled Futures Trades, or Listed Commodity Index for Index Futures Transactions and the name of the transferee Trading Participant by the date and time specified

- by the Designated Clearing Participant.
2. In cases described in the preceding paragraph, a Non-Clearing Participant must obtain approval for the transfer of unsettled positions from the transferee Trading Participant, and must also report to the transferee Trading Participant the volume of unsettled positions to be transferred for each Standard Grade Material for Physically Delivered Futures Transactions, Target of Cash-settled Futures Trades, or Listed Commodity Index for Index Futures Transactions and the name of the Designated Clearing Participant of the Non-Clearing Participant, by the date and time specified by the transferee Trading Participant.
  3. In cases described in the preceding paragraph, if the transferee Trading Participant is a Non-Clearing Participant, the transferee Trading Participant must obtain approval for the transfer of unsettled positions from its Designated Clearing Participant, and must also report to the Designated Clearing Participant the information received reports in accordance with the provisions of this paragraph, by the date and time specified by the Designated Clearing Participant.

(Completion of Transfer of Positions)

Article 89. In cases described in the preceding article, the transfer of unsettled positions shall be completed upon approval of JSCC.

2. The transfer of unsettled positions for Physically Delivered Futures Transactions shall be performed at the price specified by the Exchange.

(Covering of Positions)

Article 90. A Designated Clearing Participant who is a Trading Participant may dispose of the unsettled positions of the Non-Clearing Participant in accordance with any of the methods set forth in each of the following items after notifying the Exchange of the intent to do so and receiving its approval, provided that the case falls under any special provisions in the Clearing Agreement, if there are such special provisions in the Clearing Agreement with the Non-Clearing Participant.

- (1) The method whereby the trade agreement is completed by having the Exchange or another Trading Participant designated by the Exchange act as an agent for the transactions related to the unsettled positions and perform a resale or repurchase on behalf of the Non-Clearing Participant; and
  - (2) The method whereby the trade agreement is completed by having another Trading Participant designated by the Designated Clearing Participant accept the positions at the price agreed between the Designated Clearing Participant and the other Trading Participant and perform a resale or repurchase.
2. A Broker Participant may dispose of the unsettled positions of a Customer by having another Trading Participant designated by the Broker Participant accept them at the price agreed between the Broker Participant and the other Trading Participant and having them complete the trade agreement by resale or repurchase, after notifying the Exchange of the intent to do so and receiving its approval, provided that the case falls under any special provisions in the event that such provisions have been agreed with the Customer.
  3. The provisions of Article 15, Paragraphs 4 through 6 (Article 36-2, Paragraphs 4 through 6 for Index Futures Transactions) shall apply mutatis mutandis to the transfer of the name of positions to the Non-Clearing Participant, in the event that another Trading Participant designated by the Exchange is made to act as an agent in transactions for the unsettled positions of the Non-Clearing Participant, in accordance with the provisions of Paragraph 1, Item (1).

(Notification Concerning Covering of Positions)

Article 91. When unsettled positions are covered pursuant to the provisions of the preceding article, the Exchange shall notify JSCC of the details thereof without delay.

## Chapter 12 Trading Participants

### Section 1 General Provisions

(Trading Participant Qualification)

Article 92. Persons who qualify to be Trading Participants of the Exchange shall be limited to those set forth in each of the following items.

- (1) Persons who are commercially engaged in buying and selling, the intermediation of buying and selling, brokerage or agency, production, processing, or use ("buying and selling, etc.") of Listed Commodity Component Products, etc. (referring to the items set forth as Listed Commodity Component Products in Article 4, Paragraph 1 for each Listed Commodity and the following items; hereinafter, the same applies) or Listed Commodity Index Underlying Products, as provided for in Article 4, Paragraph 1, and Japanese rice processed goods and prepared products ("Listed Commodity Index Underlying Products, etc.") (hereinafter, referred to as "Commercial Persons"), or organizations where a majority of members are such persons;
  - A. For agricultural products, potatoes, sweet potatoes, corn, edible fats and oils, soybean oil, soybean meal, soy sauce, miso, tofu, mizuame, grape sugar, modified starch, feed, fertilizer, corn starch, corn grits, high-fructose corn syrup, ethanol, biodegradable plastic, and livestock products (including livestock)
  - B. For sugar, confectionary, candies, coffee, cocoa, and sweetened beverages
  - C. For precious metals, these shall be as follows.
    - i. Gold ore or gold products
    - ii. Silver ore or silver products
    - iii. Platinum ore or platinum products
- (2) Those who have obtained permission from the competent minister to engage in the Commodity Futures Transactions Business under Article 190, paragraph 1 of the Act ("Commodity Derivatives Business Operators");
- (3) Those who have obtained a similar type of license in a foreign state pursuant to the provisions of the laws and regulations of the relevant foreign state equivalent to a license pursuant to the provisions of Article 190, paragraph 1 of the Act, with regard to accepting the entrustment of transactions similar to Futures Transactions on Foreign Commodity Markets in relation to Listed Commodity Component Products, etc., or Listed Commodity Index Underlying Products, etc., or engaging in business taking on intermediation, brokerage, or agency therefor (including registrations and other administrative dispositions similar to the license);
- (4) Those who have given notice under Article 349, paragraph 1 of the Act that they intend to engage commercially in Over-the-Counter Commodity Derivative Transactions with regard to the Listed Commodity Component Products, etc., or Listed Commodity Index Underlying Products, etc., of the Exchange;
- (5) Those who fall under any of the following categories.
  - A. Banks;
  - B. Financial Instruments Business Operators, etc., as provided for in Article 2, paragraph 9 of the Financial Instruments and Exchange Act (Act No. 25 of 1948) (limited to type I Financial Instruments Business Operators as provided for in Article 28, paragraph 1 of the same);
  - C. The Shokochukin Bank Ltd.;
  - D. The Development Bank of Japan Inc.;
  - E. Shinkin banks and the Shinkin Bank Association;
  - F. Credit cooperatives and cooperative associations that engage in the businesses set forth in Article 9-9, paragraph 1, item (1) of the Small and Medium-Sized Enterprise Cooperatives Act (Act No. 181 of 1949);
  - G. Labour banks and The Rokinren Bank;
  - H. The Norinchukin Bank;
  - I. Agricultural cooperatives and agricultural cooperative associations that engage in the businesses set forth in Article 10, paragraph 1, item (3) of the Agricultural Co-operatives Act (Act No. 132 of 1947);
  - J. Insurance companies and foreign insurance companies, etc., as provided for in Article 2, paragraph 7 of the Insurance Business Act (Act No. 105 of 1995).

- K. Commodities investment advisors as provided for in Article 2, paragraph 4 of the Act on Regulation of Commodity Investment (Act No. 66 of 1991);
- L. Persons that engage commercially in transactions solely on their own account, on a Commodity Market or Foreign Commodity Market.

(Classification of Trading Participants)

Article 93. Trading Participants of the Exchange shall be classified into the Commodity Division Trading Participants set forth in each of the following Items for each Listed Commodity or Listed Commodity Index.

- (1) Those dealing in agricultural products shall be Agricultural Product Division Trading Participants.
  - (2) Those dealing in sugar shall be Sugar Division Trading Participants.
  - (3) Those dealing in precious metals shall be Precious Metals Division Trading Participants.
  - (4) Those dealing in the Japanese rice futures price index shall be Japanese Rice Futures Price Index Division Trading Participants.
2. Precious Metals Division Trading Participants shall be subdivided as follows.
- (1) Commercial Persons in relation to gold and the items set forth in Item (1) C i of the preceding article, who are Trading Participants dealing in gold on the Precious Metals Market (referred to as Gold Trading Participants)
  - (2) Commercial Persons in relation to silver and the items set forth in Item (1) C ii of the preceding article, who are Trading Participants dealing in silver on the Precious Metals Market (referred to as Silver Trading Participants)
  - (3) Commercial Persons in relation to platinum and the items set forth in Item (1) C iii of the preceding article, who are Trading Participants dealing in platinum on the Precious Metals Market (referred to as Platinum Trading Participants)

(Category of Trading Participants)

Article 94. Trading Participants of the Exchange shall be classified into the types set forth in each of the following items, based on the format of their transactions on the Commodity Markets of the Exchange.

- (1) Marketplace Participants  
Trading Participants who have business offices or offices in Japan for performing transactions on the Commodity Markets of the Exchange, and have trading qualification that enables them to execute transactions on their own account on the Commodity Markets of the Exchange;
- (2) Broker Participants  
Trading Participants who are Commodity Derivatives Business Operators, and have trading qualification that enables them to execute transactions on their own accounts and the accounts of Customers on the Commodity Markets of the Exchange;
- (3) Remote Marketplace Participants  
Trading Participants who have no business offices or offices in Japan for transactions on the Commodity Markets of the Exchange, and have trading qualification that enables them to execute transactions on their own account (limited to those based on the entrustment of Commodity Clearing Transactions) on the Commodity Markets of the Exchange; and
- (4) Remote Broker Trading Participants  
Trading Participants who are Foreign Commodity Derivatives Business Operators and have no business offices or offices in Japan for transactions on the Commodity Markets of the Exchange, and have trading qualification that enables them to execute transactions on their own account and transactions on the accounts of Overseas Customers (limited to those based on the entrustment of Commodity Clearing Transactions for both types of transactions) on the Commodity Markets of the Exchange.



(Disqualifying Conditions)

Article 95. Any person who falls under any of the following items may not become a Trading Participant.

- (1) A person who is unable to appropriately recognize, make judgments, or communicate with others as required for appropriate business operations owing to mental disability;
- (2) A person who has received a decision of commencement of bankruptcy proceedings and has not obtained the restoration of rights, or a person who is treated similarly under foreign laws and regulations.
- (3) A person who was sentenced to imprisonment or a more severe punishment (including equivalent punishments under foreign laws and regulations), or sentenced to fines under the provisions of the Act or equivalent foreign laws and regulations (including equivalent punishments under foreign laws and regulations), and for whom five (5) years have not passed since the date of completion or termination thereof;
- (4) A person for whom permissions granted under Article 96-19, paragraph 1, Article 96-31, paragraph 1, or Article 96-25, paragraph 1, or the proviso to Article 96-25, paragraph 3 of the Act have been canceled in accordance with the provisions of Article 96-22, paragraph 1, Article 96-34, paragraph 1, or Article 96-40, paragraph 1 of the Act, whose license granted under Article 9, Article 78, Article 167, Article 190, paragraph 1, Article 332, paragraph 1, or Article 342, paragraph 1 of the Act was canceled in accordance with the provisions of Article 159, paragraph 1 or 2, Article 186, paragraph 1 or 2, Article 235, paragraph 3, Article 236, paragraph 1, or Article 340, paragraph 1 (including cases in which the provisions thereof are applied mutatis mutandis to Article 345) of the Act, or whose registration under Article 240-2, paragraph 1 of the Act was canceled in accordance with the provisions of Article 240-23, paragraph 1 of the Act, and for whom five (5) years have not passed since the date of cancellation thereof, or a person for whom similar permissions, licenses, or registrations granted in a foreign country under the laws and regulations of that foreign country that are equivalent to the Act (including licensing and other administrative actions that are similar to such permissions, licenses, and registrations; hereinafter, referred to as "licenses, etc." in Item (6) were canceled, and for whom five (5) years have not passed since the date of cancellation;
- (5) A person who is expelled from, or whose trading qualification is canceled by a commodity exchange or equivalent foreign institution in accordance with an order under Article 160, paragraph 1 of the Act or equivalent laws or regulations of a foreign country (including other administrative actions under equivalent foreign laws and regulations; hereinafter, the same shall apply in Item (7) and Item (8)), and for whom five (5) years have not passed since the date of such expulsion or cancellation;
- (6) In this article) to engage in commodity transaction obligation assumption services granted under Article 167 of the Act is canceled in accordance with the provisions of Article 186, paragraph 1 or 2 of the Act; (v) the license of a Commodity Derivatives Business Operator granted under Article 190, paragraph 1 of the Act is canceled in accordance with the provisions of Article 235, paragraph 3 or Article 236, paragraph 1 of the Act; (vi) the registration of a Commodity Derivatives Intermediary Service Provider under Article 240-2, paragraph 1 of the Act is canceled in accordance with the provisions of Article 240-23, paragraph 1 of the Act; or (vii) the license of an Establisher of a Type 1 Specified Facility (meaning the Establisher of a Type 1 Specified Facility as provided for in Article 331, item (2) of the Act; hereinafter, the same applies in this item) or an Establisher of a Type 2 Specified Facility (meaning the Establisher of a Type 2 Specified Facility as provided for in Article 331, item (3) of the Act; hereinafter, the same applies in this item) that is a legal entity granted under Article 332, paragraph 1 or Article 342, paragraph 1 of the Act is canceled in accordance with the provisions of Article 340, paragraph 1 of the Act (including cases in which these provisions are applied mutatis mutandis to Article 345 of the Act), and a person who was an officer of the said major shareholders, commodity exchange holding company, commodity exchange, commodity transaction clearing organization, Commodity Derivatives Business Operator, Commodity Derivatives Intermediary Service Provider, Establisher of a Type 1 Specified Facility, or Establisher of a Type 2 Specified Facility any time within the period of 30 days immediately preceding the date of such cancellation, and for whom five (5) years

have not passed since the date of such cancellation, or in cases when similar licenses, etc., of a legal entity that were granted in a foreign country are canceled in accordance with the provisions of laws or regulations of the foreign country that are equivalent to the Act, and a person who was an officer of the said legal entity any time within the period of 30 days immediately preceding the date of such cancellation, and for whom five (5) years have not passed since the date of cancellation;

- (7) In cases where a member or a Trading Participant of a commodity exchange who is a legal entity or a member or a Trading Participant of a foreign institution equivalent to a commodity exchange who is a legal entity is expelled from such commodity exchange or institute, or their trading qualification is canceled in accordance with order under Article 160, paragraph 1 of the Act or the equivalent laws or regulations of the foreign country, a person who was an officer of the said legal entity any time within the period of 30 days immediately preceding the date of such cancellation, and for whom five (5) years have not passed since the date of such cancellation;
- (8) An officer who was dismissed in accordance with an order under Article 96-40, paragraph 2, Article 159, paragraph 3, Article 160, paragraph 1, Article 186, paragraph 4, Article 236, paragraph 2, or Article 240-23, paragraph 2 of the Act, or equivalent provisions of foreign laws and regulations, and for whom five (5) years have not passed since the date of dismissal;
- (9) A person subject to a court order under the provisions of Article 328, paragraph 1 of the Act or the order of a foreign court under equivalent laws or regulations of a foreign country, and for whom one (1) year has not passed since the day on which such order was issued;
- (10) A person specified in Article 331, paragraph 1, item (3) of the Companies Act (Act No. 86 of 2005);
- (11) A minor who does not have the same capacity as an adult with regard to businesses, and whose statutory representative falls under any of the preceding items or the following items;
- (12) A legal entity whose officers include a person who falls under any of the preceding items;
- (13) A person who was expelled from the Exchange, another commodity exchange, or a financial instruments exchange, or in cases where such person is a legal entity, the officer representing such legal entity, and for whom five (5) years have not passed since the date of such expulsion;
- (14) A person who concealed the fact that they do not qualify under Article 92, or the fact that they fall under any of the preceding items, and for whom five (5) years have not passed since the date on which such concealment was revealed; or
- (15) Apart from the persons listed in each of the preceding items, a person whom the Exchange has judged does not have the systems or sufficient social credibility to appropriately execute business operations related to transactions on the Commodity Markets.

2. For the purpose of applying the provisions of Items (3) through (5), Item (9), and Item (12) of the preceding paragraph, a legal entity surviving a merger or a legal entity established by a merger shall be deemed to be the same legal entity as that which was extinguished as a result of the merger.

## Section 2 Acquisition of Trading Qualification

(Application for Acquisition of Trading Qualification)

Article 96. Persons who intend to newly obtain trading qualification at the Exchange must submit to the Exchange an application containing the necessary matters, as set forth in the Enforcement Rules on Enforcement Concerning Trading Participants.

2. As set forth in the Enforcement Rules on Enforcement Concerning Trading Participants, the documents listed in each of the following items must be attached to the application in the preceding paragraph.
- (1) A written statement pledging that the applicant satisfies the conditions set forth in Article 92 with regard to the Listed Commodities or Listed Commodity Indexes on the Commodity Markets for which the applicant intends to obtain qualification, and documents offering proof thereof;
  - (2) If such applicant is a legal entity, (i) certified copies of the Articles of Incorporation and the commercial registration, (ii) documentation indicating the place of the main office or primary

office and the names of the officers, (iii) documentation pledging that the legal entity does not fall under any of the provisions of Paragraph 1, Items 1 through 14 of the preceding article, (iv) financial statements, etc., prepared pursuant to Article 435, paragraph 2 of the Companies Act ("Financial Statements, etc."), (v) an annual securities report as provided for in Article 24 of the Financial Instruments and Exchange Act ("Annual Securities Report"), or a record concerning the amount of the net assets prepared pursuant to Article 99, paragraph 7 of the Act and Article 38 of the Ordinance ("Report on the Amount of Net Assets"), or any other documents equivalent thereto, and if the applicant is a Trading Participant or member ("Trading Participant, etc.") of another commodity exchange or Osaka Exchange, Inc. licensed under Article 80, paragraph 1 of the Financial Instruments and Exchange Act, (vi) documentation indicating the name of the exchange and the date on which the person obtained trading qualification or joined the exchange;

- (3) If such applicant is an individual, (i) a resume, a copy of the residence certificate, and other documents of the person (if there is a statutory representative for the person, the person and his or her statutory representative), (ii) documentation pledging that the person does not fall under any of Items 1 through 11, Item (13), or Item (14) of Paragraph 1 of the preceding article, (iii) a balance sheet, statement of profit and loss, or Report on the Amount of Net Assets, etc., and, if the applicant is a Trading Participant of another commodity exchange or Osaka Exchange, Inc., (iv) documentation indicating the name of the commodity exchange and the date on which the person obtained trading qualification or joined the exchange;
- (4) Other documents deemed necessary by the Exchange.

(Trading Qualification Examination and Approval)

Article 97. Upon receipt of the application to acquire trading qualification in accordance with the provisions of the preceding article, the Exchange shall examine the application and make a decision concerning the approval or disapproval thereof.

2. When it is deemed necessary for the examination provided for in the preceding paragraph, the Exchange may require the applicant for the acquisition of trading qualification or other interested parties to appear in a hearing to hear their testimonies or opinions.

(Procedures for Acquisition of Trading Qualification)

Article 98. A person who receives approval for the acquisition of trading qualification must perform the procedures set forth in each of the following items by the date determined by the Exchange after the date he or she receives approval.

- (1) Payment of registration fees;
  - (2) Conclusion of Trading Participant Agreement;
  - (3) Deposit of Guarantee Fund;
  - (4) Procedures for the Acquisition of trading qualification, as set forth in the Enforcement Rules on Enforcement Concerning Trading Participants.
2. The provisions of the preceding paragraph notwithstanding, in cases where the application to acquire trading qualification results from a merger with a Trading Participant, or succession, split, or business transfer from a Trading Participant, the payment of registration fees is not required. In such cases, the Exchange may require that the person receiving approval for the acquisition of trading qualification pays fees for the change of name.
  3. If a person who was approved to acquire trading qualification does not perform the procedures provided for in Paragraph 1 by the date determined by the Exchange, such person shall be deemed to have withdrawn the application for the acquisition of trading qualification.

(Amount of Registration Fees, Fees for the Change of Name, etc.)

Article 99. The amount of the registration fees, fees for the change of name, etc., shall be as set forth in the Enforcement Rules Concerning Trading Participation Fees, etc.

(Date of Acquisition of Trading Qualification)

Article 100. A person who is approved for the acquisition of trading qualification shall acquire trading qualification pertaining to the relevant application for the acquisition of trading qualification on the day on which the procedures provided for in Article 98, Paragraph 1 have been completed.

2. If the Exchange grants trading qualification in accordance with the provisions of the preceding

paragraph, it shall deliver a certification of trading qualification to the Trading Participant who acquired trading qualification.

(Condition to Trade)

Article 101. Persons able to trade on the Commodity Markets of the Exchange shall be limited to Trading Participants with commodity transaction clearing qualification on the Commodity Markets of the Exchange from JSCC or Trading Participants who are Non-Clearing Participants and have designated a Designated Clearing Participant.

2. The provisions of Article 110 and Article 111 shall apply mutatis mutandis in cases where a Trading Participant who no longer satisfies the conditions prescribed in the previous paragraph has not completed the settlement of trades.

Section 3 Change, Waiver, etc., of Trading Qualification

(Addition of Trading Qualification)

Article 102. If a Trading Participant desires to acquire additional trading qualification on Commodity Markets other than the Commodity Market of the Exchange where he or she already conducts transactions, he or she must submit to the Exchange an application form containing the necessary information as set forth in the Enforcement Rules on Enforcement Concerning Trading Participants, with the documents listed in each of the following items attached.

- (1) A written statement pledging that the applicant satisfies the conditions set forth in Article 92 with regard to the Listed Commodities or Listed Commodity Indexes on the Commodity Markets for which the applicant intends to additionally obtain trading qualification, and documents offering proof thereof;
  - (2) Other documents deemed necessary by the Exchange.
2. Upon receipt of the application to additionally acquire trading qualification in accordance with the provisions of the preceding paragraph, the Exchange shall examine the application and make a decision concerning the approval or disapproval thereof.
  3. The provisions of Article 98 and Article 100 shall apply mutatis mutandis to the additional acquisition of trading qualification in accordance with the provisions of the previous two paragraphs.

(Change in the Category of Trading Participant)

Article 103. A Trading Participant who desires to change category of Trading Participant, as provided for in Article 94, must submit to the Exchange an application form containing the necessary information as set forth in the Enforcement Rules on Enforcement Concerning Trading Participants, with any documents deemed necessary by the Exchange attached.

2. Upon receipt of the application form submitted pursuant to the provisions of the preceding paragraph, the Exchange shall examine the application and make a decision concerning the approval or disapproval thereof.
3. The provisions of Article 98 and Article 100 shall apply mutatis mutandis to change in the category of Trading Participant in accordance with the provisions of the preceding two paragraphs.
4. In cases where a Broker Participant or a Remote Broker Trading Participant has changed its category as a Trading Participant, they may only execute transactions within the scope where the objective is the settlement of transactions on the applicable Commodity Market, excluding transactions on their own account.
5. In cases where a Trading Participant who is no longer classified as a Broker Participant has not completed the settlement of transactions on the accounts of Customers at that time, the provisions of Article 111 shall apply mutatis mutandis to the settlement of such transactions; provided, however, that this shall not apply in cases where the Trading Participant falls under each item of Article 112, Paragraph 1.
6. In cases where a Trading Participant who is no longer classified as a Remote Broker Trading Participant has not completed the settlement of transactions on the accounts of Overseas Customers at that time, the provisions of Article 112-2 shall apply mutatis mutandis to the settlement of such transactions.

(Notice of Waiver of Trading Qualification)

Article 104. A Trading Participant may waive all or part of his or her trading qualification by giving advance notice of such waiver no later than 30 days prior.

2. The advance notice provided for in the preceding paragraph must be given by submitting to the Exchange notification containing the necessary information, as set forth in the Enforcement Rules on Enforcement Concerning Trading Participants, with any documents deemed necessary by the Exchange attached.
3. In cases where a Trading Participant desires to cancel the notification of the waiver of trading qualification in accordance with the provisions of the preceding paragraph, or extend the planned date of waiver of trading qualification, the Trading Participant must submit to the Exchange notification containing the necessary information, as set forth in the Enforcement Rules on Enforcement Concerning Trading Participants, with any documents deemed necessary by the Exchange attached, by the planned date of waiver.

In such cases, extensions of the date of waiver shall be limited to a total of 30 days.

4. A Trading Participant who submitted the notice of waiver of trading qualification in accordance with the provisions of Paragraph 2 may execute transactions in the Commodity Markets for which he or she submitted the notice only for the purpose of settling transactions thereon.

(Waiver of Trading Qualification as a Natural Consequence)

Article 105. Apart from cases provided for in Paragraph 1 of the preceding article, a Trading Participant shall waive the whole or part of its trading qualification as a natural consequence of any of the events listed in each of the following items.

- (1) Where the Trading Participant no longer falls under any of the items of Article 92 for each classification provided for in Article 93 and each category provided for in Article 94;
- (2) Where the Commodity Market of the Exchange in which the Trading Participant trades is closed pursuant to the provisions of Article 95 of the Act;
- (3) Death or dissolution of the Trading Participant; or
- (4) Cancellation of trading qualification.

(Transactions, etc. In Case of Merger of the Applicant for Waiver of Trading Qualification)

Article 106. In cases where a Trading Participant who submitted notification of the full or partial waiver of trading qualification, and simultaneously with such waiver, is merged into an entity that is to become a Trading Participant of the same type as the relevant Trading Participant or that is the same type of Trading Participant as the relevant Trading Participant, or has such entity succeed its business through a split, transfers its business to such entity, or a Broker Participant becomes the Intermediary of such entity, etc., if the Exchange deems that it is unnecessary to have the relevant Trading Participant cover its unsettled positions resulting from transactions in Commodity Markets of the Exchange that pertain to the relevant Trading Participant, or its unsettled positions based on the entrustment of Commodity Clearing Transactions, the Exchange may choose not to suspend such transactions on the Commodity Markets of the Exchange that pertain to the relevant Trading Participant or the entrustment of Commodity Clearing Transactions.

2. In cases where a Trading Participant has fallen under any of the following items, the Trading Participant may, with the approval of the Exchange, transfer its unsettled positions resulting from transactions in the Commodity Markets of the Exchange that pertain to the relevant Trading Participant or unsettled positions based on the entrustment of Commodity Clearing Transactions to another Trading Participant.
  - (1) Where the Trading Participant is merged into Intermediaries, etc., or has another Trading Participant or Intermediary, etc., succeed its business through a split or transfers its business to such other Trading Participants or Intermediaries, etc.;
  - (2) Where Intermediaries who accepts the entrustment of orders is merged into another Intermediary, etc., or has another Trading Participant or Intermediary, etc., succeed its business through a split or transfers its business to such other Trading Participants or Intermediaries, etc.;
  - (3) When it is deemed necessary by the Exchange, other than the circumstances listed in the preceding two items.
3. The provisions of Articles 110 through 112 shall not apply mutatis mutandis to cases of transfer

of unsettled positions under the provisions of the preceding paragraph.

(Procedure of Waiver of Trading Qualification)

Article 107. A Trading Participant intending to waive all or some trading qualification or change their category as a Trading Participant must return the certification of trading qualification to the Exchange and perform other procedures as set forth in the Enforcement Rules on Enforcement Concerning Trading Participants.

(Fulfillment of Obligations at the Time of Full Waiver of Trading Qualification)

Article 108. The Exchange shall appropriate the amount to be delivered or refunded to a Trading Participant who waived all trading qualification (in the case of guarantee fund, such amount shall be the amount that remains after preferential repayment to Customers and JSCC; in the case of other deposits, such amount shall be the amount that remains after preferential repayment to the Exchange) for the fulfillment of any obligations of such Trading Participant owed to the Exchange.

2. If a Trading Participant who waived all trading qualification has not completed settlement of its transactions on the Commodity Markets of the Exchange, or if any amount of obligations to be fulfilled as described in the preceding paragraph have not been determined, the Exchange may withhold an amount that is deemed appropriate from the total amount to be delivered or refunded to the Trading Participant who waived trading qualification, until completion of the settlement of such transactions or determination of the amount of such obligations.

(Procedure After Full Waiver of Trading Qualification)

Article 109. If, after all obligations are repaid in accordance with the provisions of Paragraph 1 of the preceding article, there is any remaining balance to be delivered or refunded from the Exchange to the Trading Participant who waived all trading qualification, the Exchange shall deliver or refund such amount to the Trading Participant or its general successor (or the Entrustor Protection Fund, if the Entrustor Protection Fund has exercised the security right in cases where the proviso clause of Article 124 applies).

(Settlement of Proprietary Position After Waiver of the Trading Qualification)

Article 110. In cases where a Trading Participant who waived all or part of its trading qualification has unsettled positions on its own account in the Commodity Market for which it waived trading qualification, the Exchange shall require that the Trading Participant or a successor who has assumed the rights and obligations pertaining to the unsettled positions ("Successor") to settle the relevant transactions within one (1) month, unless the relevant unsettled positions are transferred pursuant to the provisions of Article 86 or there is a person who is to succeed to such obligations in accordance with provisions of Article 113.

2. If the Exchange deems it inappropriate to cause the Trading Participant or its Successor to complete the settlement of the transactions on the Commodity Market in cases described in the preceding paragraph, it shall designate another Trading Participant able to perform transactions on the Commodity Market on which the Trading Participant was trading to complete the settlement on behalf of the Trading Participant or its Successor.
3. For the purpose of applying the provisions of Paragraph 1, the Trading Participants who waived its trading qualification or its Successor (excluding a person who is a Trading Participant) shall be deemed to be a Trading Participant only for the purpose of settling the said transaction.
4. When the Exchange causes another Trading Participant to complete the settlement of the transactions in accordance with the provisions of Paragraph 2, it shall be deemed that a contract for the Entrustment of such transactions has been concluded between the Trading Participant or its Successor and the other Trading Participant.

(Settlement of Customer Position After Waiver of Intermediaries Trading Qualification)

Article 111. In cases where a Broker Participant who waived all or some of its trading qualification (excluding cases that fall under the following article) has unsettled transactions on a Customers' accounts pertaining to the Commodity Market where the Broker Participant waived trading qualification, the Exchange shall require the Trading Participant or its Successor to complete the settlement of such transactions, unless the unsettled positions are transferred pursuant to the provisions of Article 86 or there is a person who is to succeed to them in accordance with the provisions of Article 113.

2. A person who had been the said Broker Participant in the cases set forth in the preceding paragraph shall be deemed to be a Broker Participant only for the purpose of settling customer transactions.
3. If the Exchange deems it inappropriate to require the Broker Participant or its Successor to complete the settlement of the transactions on the Commodity Market in cases described in Paragraph 1, it shall designate another Broker Participant able to perform transactions on the Commodity Market on which the Broker Participant was trading to complete the settlement on behalf of the Trading Participant or its Successor.
4. When the Exchange requires another Broker Participant to complete the settlement of transactions, in accordance with the provisions of the preceding paragraph, it shall be deemed that a contract for the entrustment of such transactions has been concluded between the Broker Participant and the Customer of the said transactions.

(Special Rules for Settlement of Customer Position After Waiver of Trading Qualification)

Article 112. The provisions of the preceding Article notwithstanding, if a Broker Participant falls under any of the following items and has not completed settlement of transactions on the Customers' accounts on the Commodity Market where the Broker Participant waived trading qualification, the Exchange shall require the Broker Participant or its Successor to settle such transactions within one (1) month, unless the relevant positions are transferred in accordance with the provisions of Article 86 or there is a person who is to succeed to such obligations in accordance with the provisions of the following article.

- (1) Where the license granted under Article 190, paragraph 1 of the Act is canceled in accordance with the provisions of Article 235, paragraph 3 or Article 236, paragraph 1 of the Act;
  - (2) Where the license granted under Article 190, paragraph 1 of the Act ceased to be effective in accordance with the provisions of Article 190, paragraph 2 or Article 197, paragraph 2 of the Act (limited to paragraph 1, items (1) through (4) of the same article (in the case of item (2) of the same paragraph, limited to the part pertaining to a merger in the case where the legal entity surviving the merger or the legal entity established by the merger does not engage in the Commodity Futures Business));
  - (3) Where the Broker Participant has submitted notification as described in Article 126, Paragraph 2, Item (4).
2. The provisions of paragraphs 2 through 4 of the preceding article shall apply mutatis mutandis to the settlement of transactions as provided for in the preceding paragraph.

(Special Rules for Settlement of Customer Position after Waiver of Trading Qualification)

Article 112-2. In cases where a Remote Broker Trading Participant who waived all or some trading qualification has unsettled transactions on the accounts of Overseas Customers pertaining to the Commodity Market where the Remote Broker Trading Participant waived trading qualification, the Exchange shall require the Remote Broker Trading Participant or its Successor to promptly settle the relevant transactions, unless the unsettled positions are transferred pursuant to the provisions of Article 86 or there is a person who is to succeed to the obligations in accordance with the provisions of the following article.

2. A person who had been the said Remote Broker Trading Participant in the cases set forth in the preceding paragraph shall be deemed to be a Remote Broker Trading Participant only for the purpose of settling customer transactions.
3. The provisions of Paragraph 1 notwithstanding, if the Exchange deems it inappropriate to require the Remote Broker Trading Participant or its Successor to complete the settlement of transactions on the Commodity Market, it shall require another Remote Broker Trading Participant to complete such settlement.
4. When the Exchange requires another Remote Broker Trading Participant to complete the settlement of transactions, in accordance with the provisions of the preceding paragraph, it shall be deemed that a contract for the entrustment of such transactions has been concluded between the Remote Broker Trading Participant and the Overseas Customers of the said transactions.

(Succession to the Status of a Trading Participant)

Article 113. In the event that a Trading Participant dies and his or her heir or legatee (hereinafter, in this article referred to as the "Heir, etc.") is a Trading Participant who has the same type of trading qualification as that of the deceased Trading Participant, such Heir, etc., shall succeed the rights and obligations of the deceased Trading Participant. In this case, the Heir, etc., shall notify the Exchange of the fact without delay.

2. In the event a Trading Participant dies, if the Heir, etc., is a person who qualifies as Trading Participant (excluding those provided for in the preceding paragraph), the Heir, etc., may succeed the rights and obligations of the deceased Trading Participant by applying for the acquisition of trading qualification pursuant to the provisions of Article 96 and has obtained Trading Qualification within 100 days of the death of the said Trading Participant.
3. In cases provided for in Paragraph 1 or the preceding paragraph, if there are multiple Heirs, etc., these provisions shall apply to only one Heir, etc., selected by the unanimous consent of all Heirs, etc.
4. In the event of a merger where all or some of the interested parties are Trading Participants (for Broker Participants, limited to cases where a license has been received, as provided for in Article 225, paragraph 1 of the Act) or split (for Broker Participants, limited to cases where a license has been received, as provided for in Article 225, paragraph 1 of the Act), the legal entity surviving the merger, the legal entity established by the merger, or the legal entity succeeding to a business by the split shall succeed to the status of the Trading Participant. In this case (excluding cases in which an entity that is a Trading Participant of the same category that belongs to the Commodity Division succeeds to the businesses as a result of the merger or split), the successor must apply for the acquisition of trading qualification pursuant to Article 96 or Article 102, Paragraph 1, or change their category as a Trading Participant pursuant to the provisions of Article 103, Paragraph 1, without delay.
5. In the event that a Trading Participant has transferred all or some of its business (with regard to a Broker Participant, this is limited to cases in which the Broker Participant has obtained a license under Article 228, paragraph 1 of the Act), the legal entity who has acquired the business shall succeed to the status of the Trading Participant. In this case (excluding cases in which an entity that is a Trading Participant of the same type acquires the business), the successor must apply for the acquisition of a trading qualification pursuant to the provisions of Article 96 and Article 102, or for change their category as a Trading Participant pursuant to the provisions of Article 103, without delay.



## Section 4 Duties, Obligations, etc., of Trading Participant

### Subsection 1 General Provisions

#### (Conclusion of Trading Participant Agreement)

Article 114. Trading Participants must enter into a Trading Participant Agreement as set forth in the Enforcement Rules on Enforcement Concerning Trading Participants.

#### (Trading Participant Representative)

Article 115. If a Trading Participant is a Corporate Trading Participant (hereinafter, referring to a Trading Participant who is a legal entity in this section and Article 150, Paragraph 1, Item (4)), the Trading Participant must, in accordance with the procedures set forth in the Enforcement Rules on Enforcement Concerning Trading Participants, designate one (1) person among its representative directors or representative executive officers (or if the Corporate Trading Participant is a legal entity that was established in a foreign country, persons who are representatives thereof in Japan and hold a position equivalent to, or higher, than directors or executive officers) as a person who is appropriate for representing the Corporate Trading Participant at the Exchange ("Trading Participant Representative"), and notify the Exchange in advance to that effect.

2. The provisions of the preceding paragraph notwithstanding, if a Corporate Trading Participant falls under any of the cases separately determined by the Exchange, the Corporate Trading Participant may select an officer who does not have the right of representation or other equivalent person as the Trading Participant Representative and notify the Exchange to that effect.
3. The provisions of Paragraph 1 and the preceding paragraph notwithstanding, a Remote Marketplace Participant or a Remote Broker Trading Participant must designate one (1) person from among those with the right of representation who is appropriate for representing the Remote Marketplace Participant or the Remote Broker Trading Participant at the Exchange as the Trading Participant Representative, and notify the Exchange in advance to that effect.
4. A Corporate Trading Participant intending to change the Trading Participant Representative for which the notification was submitted to the Exchange as described in the preceding three paragraphs must notify the Exchange to that effect.

#### (Contact Agent of Remote Trading Participant or Remote Intermediaries Participant)

Article 115-2. A Remote Marketplace Participant or a Remote Broker Trading Participant must determine a Designated Clearing Participant as a Delivery Agent who will have the right to receive deliveries on behalf of the Remote Marketplace Participant or the Remote Broker Trading Participant, and notify the Exchange to that effect; provided, however, that if the Remote Marketplace Participant or the Remote Broker Trading Participant has determined a representative in Japan (limited to persons with an address in Japan) in accordance with the provisions of Article 817, paragraph 1 of the Companies Act, this representative in Japan shall be designated as such and notification thereof submitted to the Exchange.

2. A Delivery Agent as described in the preceding paragraph must appropriately and promptly process administrative duties related to deliveries for the Remote Marketplace Participant or the Remote Broker Trading Participant.

#### (Request for Remediation of Trading Participant's Articles of Incorporation and Other Matters)

Article 116. If the Exchange determines that the Articles of Incorporation, officers, systems for the execution of operations, joint relationships with other entities, relationships of control, or transactional relationships of a Corporate Trading Participant are inappropriate in view of the purpose of the Exchange or the operation of the Commodity Markets of the Exchange, the Exchange may request changes thereto.

2. When the Exchange intends to request change from the Trading Participant pursuant to the provisions of the preceding paragraph, the Exchange may notify the Trading Participant to that effect in advance, and provide the Trading Participant or its agent with an opportunity to provide explanation, if it is deemed necessary by the Exchange; provided, however, that the Trading

Participant may submit a written statement in lieu of the provision of an explanation.

3. In cases described in the preceding paragraph, if a Trading Participant or the agent thereof who has been given the opportunity to provide explanation fails to attend such meeting without justifiable grounds, the Exchange may make a decision to request the changes, the provisions of the preceding paragraph notwithstanding.
4. If the Trading Participant considers the request for change described in Paragraph 1 unreasonable, it may raise an objection by indicating its reasons to the Exchange in writing, within 10 days of receipt of the request for change.
5. Upon receipt of the objection described in the preceding paragraph, the Exchange shall examine the objection without delay.
6. If it is recognized by the Exchange that it is appropriate to modify or revoke the request for change described in Paragraph 1 as a result of the examination described in the preceding paragraph, the Exchange shall immediately modify or revoke the request.
7. If the Exchange decides to make a request for change as described in Paragraph 1 or modify or cancel the request for change as described in the preceding paragraph, it shall indicate its reasons in writing and notify the Trading Participant to that effect, without delay.

(Responses, etc. to Demand for Change)

Article 117. If a Trading Participant who received a demand for change pursuant to the provisions of Paragraph 1 of the preceding article has taken measures to respond to the demand by the date and time determined by the Exchange, the Trading Participant shall notify the Exchange to that effect in writing.

2. The notification pursuant to the provisions of the preceding paragraph shall be accompanied with a note explaining the measures taken in response to the demand from the Exchange.
3. If the Exchange receives the written notice pursuant to the provisions of Paragraph 1 and deems it appropriate after the examination of the content thereof, the Exchange shall notify the Trading Participant to that effect.

(Payment of Trading Participation Fees)

Article 118. Trading Participants must pay trading participation fees to the Exchange in accordance with the procedures set forth in the Enforcement Rules Concerning Trading Participation Fees, etc.

(Guarantee Fund)

Article 119. Trading Participants must deposit the amount of money provided for in each of the following items with the Exchange, in accordance with the classifications listed in each of the items, as a Guarantee Fund.

(1) Agricultural Market	Agricultural Product Division Trading Participants	1 million yen
(2) Sugar Market	Sugar Division Trading Participants	1 million yen
(3) Precious Metals Market	Precious Metals Division Trading Participants	1 million yen
(4) Japanese Rice Futures Price Index Market	Japanese Rice Futures Price Index Division Trading Participants and Marketplace Participants	100,000 yen
	Japanese Rice Futures Price Index Division Trading Participants and Broker Participants	1 million yen

2. A Trading Participant may not trade on the Commodity Markets of the Exchange without depositing the Guarantee Fund set forth in the preceding paragraph.
3. In the event that the Guarantee Fund deposited by a Trading Participant becomes subject to disposition owing to tax delinquency by the Trading Participant or disposition due to the effects of the disposition owing to tax delinquency, or subject to seizure by a court, the Exchange shall require the relevant Trading Participant to deposit with the Exchange an amount specified by the Exchange, by a date and time specified by the Exchange.

(Preferential Payment of Guarantee Fund)

Article 120. A person who entrusted transactions on the Commodity Markets of the Exchange to

a Broker Participant shall hold the right to preferential repayment with respect to claims arising from the entrustment over other creditors in relation to the Guarantee Fund of the Broker Participant pertaining to the relevant Commodity Market.

2. If a counter claim exists against the claim of preferential payment provided for in the preceding paragraph, the claim of a customer who is not a Trading Participant shall take priority over that of a customer who is a Trading Participant.

(Substitution by Securities)

Article 121. The Guarantee Fund may be allocated in the form of securities, etc., as set forth in the following paragraph.

2. Appropriation Securities that may be allocated for the Guarantee Fund ("Guarantee Fund Appropriation Securities") shall consist of those listed in each of the following items; provided, however, that those listed in Items 4 through 9 shall be limited to those designated by the Exchange.

- (1) National government bond certificates or local government bond certificates;
- (2) Subscription certificates issued by the Bank of Japan;
- (3) Bond certificates issued by a legal entity in accordance with special acts;
- (4) Share certificates traded on an exchange instruments financial market as provided for in Article 2, paragraph 17 of the Financial Instruments and Exchange Act;
- (5) Share certificates registered in the over-the-counter securities registration as provided for in Article 67-11, paragraph 1 of the Financial Instruments and Exchange Act;
- (6) Share certificates (except for share certificates set forth in the preceding two items) issued by a bank pursuant to the Banking Act (Act No. 59 of 1981);
- (7) Corporate bond certificates issued by a corporation that issues share certificates set forth in Item (4) or Item (5);
- (8) Beneficiary certificates as provided for in Article 185, paragraph 1 of the Trust Act (Act No. 108 of 2006), beneficiary certificates as provided for in Article 2, paragraph 7 of the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951) and beneficiary certificates provided for in Article 2, paragraph 2 of the Loan Trust Act (Act No. 195 of 1952);
- (9) Investment securities as provided for in Article 2, paragraph 15 of the Act on Investment Trusts and Investment Corporations, investment corporation bond certificates as provided for in paragraph 20 of the same, and foreign investment securities as provided for in Article 220, paragraph 1 of the same.

3. The Substituting Price of the Guarantee Fund Appropriation Securities described in the preceding paragraph shall be the amount determined in accordance with the Enforcement Rules on Enforcement Concerning Trading Participants and based on the recent market value of the securities, provided that such price does not exceed the price provided for in Article 39 of the Ordinance.

4. In the event that the amount of Guarantee Fund deposited by a Trading Participant falls below the amount of Guarantee Fund that should be deposited by the Trading Participant owing to changes in the type or issue of the Appropriation Securities or changes in the Substituting Price, the Exchange shall require the Trading Participant to deposit the difference within the period of time designated by the Exchange, and in the event that an excess occurs, the Exchange will refund the excess upon the Trading Participant's request.

(Designation Standards for Guarantee Fund Appropriation Securities)

Article 122. The designation of Guarantee Fund Appropriation Securities as set forth in Items 4 through Item (8) of Paragraph 2 of the preceding article shall be limited to securities satisfying the requirements in each of the following items.

- (1) For securities with a face value, the market value shall exceed one half of the face value;
- (2) For share certificates issued by a bank, the issuer bank shall be a bank designated by the Exchange and with whom the Exchange has a business relationship;
- (3) For corporate bonds, such corporate bonds shall be traded on an exchange instruments financial market and registered on the over-the-counter securities registration provided for in Article 67-11, paragraph 1 of the Financial Instruments and Exchange Act;
- (4) For beneficiary certificates as provided for in Article 2, paragraph 2 of the Loan Trust Act, at least one (1) year shall have elapsed since the expiration date of the loan trust pertaining to such beneficiary certificates.

2. In cases where the Guarantee Fund Appropriation Securities no longer satisfy the requirements set forth in the preceding paragraph, the Exchange shall cancel their designation as Guarantee Fund Appropriation Securities without delay.
3. In addition to the provisions of the preceding article and the preceding two paragraphs, the Exchange shall determine all matters necessary for the allocation of Guarantee Fund Appropriation Securities.

(Deposit of Trading Participant Security Deposit)

Article 123. In order to ensure the performance of obligations pertaining to Trading Participation Fees pursuant to the provisions of Article 118, the Exchange may require Trading Participants to deposit a Trading Participant Security Deposit with the Exchange, in accordance with the provisions set forth by the Exchange.

2. The Trading Participant Security Deposit may be deposited in the form of securities in accordance with the provisions set forth by the Exchange.

(Prohibition of Transfer of Right to Claim Return of Guarantee Fund)

Article 124. Trading Participants may not transfer or offer as collateral to other persons the right to claim return of the Guarantee Fund; provided, however, that this shall not apply when a Broker Participant offers its right to claim return of the Guarantee Fund as collateral to the Entrustor Protection Fund.

(Limitation of Liability for Use of Facilities)

Article 125. The Exchange shall not be liable for any damage that a Trading Participant incurs from use of the facilities of the Exchange, including, but not limited to, trading systems that use computers, etc., installed by the Exchange, except in cases separately provided for in laws and regulations or these Market Rules.

(Matters to be Notified)

Article 126. Trading Participants must notify the Exchange, in writing, of the occurrence of any events falling under any of the following items, without delay.

- (1) The Trading Participant no longer satisfies the conditions for eligibility as a Trading Participant set forth in each of the items of Article 92 or the Trading Participant has fallen under any of the disqualifying conditions set forth in each of the items of Article 95, Paragraph 1;
- (2) The Trading Participant becomes insolvent, or otherwise falls into conditions such that it is unable to perform contractual obligations to the Exchange or other Trading Participants;
- (3) The Trading Participant is subject to the suspension of business transactions with a bank;(4) There is a change in personal name or trade name (including the company name; the same shall apply hereinafter);
- (4) Name or Trade Name (including corporate name;
- (5) There is a change in the name or location of the headquarters or the primary business office (or for Remote Marketplace Participants and Remote Broker Trading Participants, the headquarters, or the sales office or business office that performs transactions on the Commodity Markets of the Exchange);
- (6) In the case of a Corporate Trading Participant, there is a change in the Articles of Incorporation or the names of officers;
- (7) The Trading Participant becomes an interested party in litigation pertaining to transactions on the Commodity Markets of the Exchange, or there is a judgment in that regard;
- (8) The Trading Participant becomes subject to disposition owing to tax delinquency or seizure owing to the effects of disposition due to a tax delinquency, or subject to seizure, provisional seizure, or any other provisional orders by court order;
- (9) The Trading Participant becomes subject to criminal prosecution;
- (10) The Trading Participant becomes or ceases to be a Trading Participant, etc., of another commodity exchange or Osaka Exchange;
- (11) The Trading Participant intends to obtain or has obtained, or intends to waive or has waived commodity transaction clearing qualification;
- (12) The Trading Participant intends to undertake a merger, split, or business transfer;

- (13) The Trading Participant intends to change Listed Commodities or Listed Commodity Indexes that it trades on the Commodity Markets of the Exchange; or
- (14) The Trading Participant becomes insolvent, or doubts are raised in an audit report.
- 2. A Broker Participant or a Remote Broker Trading Participant must notify the Exchange, in writing, of the occurrence of any events falling under any of the following items, without delay:
  - (1) The Trading Participant has submitted notification to the Entrustor Protection Fund in accordance with the provisions of Article 303, paragraph 1 of the Act;
  - (2) The Trading Participant has concluded or canceled an agreement concerning the transfer of unsettled positions;
  - (3) The Trading Participant obtained permission from the competent minister pertaining to a merger, split, or business transfer, in accordance with the provisions of Article 225, paragraph 1 and Article 228, paragraph 1 of the Act;
  - (4) The Trading Participant discontinues services pertaining to the activities listed in Article 2, paragraph 22, items (1) and (2) of the Act at all sales offices and business offices established in Japan;
  - (5) The Remote Broker Trading Participant discontinues similar services pertaining to the activities listed in the provisions of the laws and regulations of a foreign state equivalent to those of Article 2, paragraph 22, items (1) and (2) of the Act at all sales offices and business offices that perform transactions on the Commodity Markets of the Exchange; or
  - (6) The Trading Participant has fallen under the cases separately set forth in the Enforcement Rules on Enforcement Concerning Trading Participants.
- 3. In cases when a Trading Participant falls under any of the following items, the person specified in the respective item must notify the Exchange to that effect, in writing, without delay:
  - (1) In the event of the dissolution of a Corporate Trading Participant following the decision to commence bankruptcy proceedings or in the event that an individual Trading Participant is subject to a decision to commence bankruptcy proceedings, the bankruptcy trustee thereof;
  - (2) In the event of the dissolution of a Corporate Trading Participant owing to reasons other than merger or a decision to commence bankruptcy proceedings, the Liquidator thereof;
  - (3) In the event that an individual Trading Participant dies, the Heir thereof; or
  - (4) In the event that an individual Trading Participant becomes an adult ward, the statutory representative thereof.
- 4. Notification submitted in accordance with the provisions of the preceding three paragraphs must be accompanied by the documents designated by the Exchange.

#### (Reporting of Financial Results)

Article 127. Each fiscal year, Trading Participants who are Clearing Participants must submit to the Exchange Financial Statements, etc., a Securities Report, or other equivalent documents, by the date specified by the Exchange. 2. When requested by the Exchange, Trading Participants must submit to the Exchange a Report on the Amount of Net Assets, etc., and any other documents deemed necessary by the Exchange, by the date specified by the Exchange.

#### (Separate Accounting and Retention of Books)

Article 128. Trading Participants must account for transactions on the Commodity Markets of the Exchange separately from other transactions, in accordance with the provisions of Article 50, paragraph 1 of the Ordinance.

- 2. The books concerning transactions on the Commodity Markets of the Exchange, as described in the preceding paragraph, and other documents concerning business operations must be prepared in accordance with the provisions of Article 50, paragraph 2 of the Ordinance, and maintained in the headquarter, branches, or other sales offices or business offices of the Trading Participant, and kept for a period of 10 years in accordance with the provisions of paragraph 3 of the same. In such cases, the storage of the books may be replaced by storage by electromagnetic means, as provided for in Article 51 of the Ordinance.

(Separate Accounting and Retention of Books of Broker Participants)

Article 129. A Broker Participant must account for transactions on its own account separately from transactions on the accounts of Customers, and must account for transactions pertaining to the acceptance of the entrustment of transactions on the Commodity Markets, etc. (limited to those listed in Article 2, paragraph 21, item (1) of the Act (excluding Commodity Clearing Transactions) or those listed in item (3)) separately from transactions pertaining to the acceptance of the entrustment of transactions on the Commodity Markets, etc. (limited to those listed in item (2) of the same (limited to brokerage) or item (4)), with regard to the books provided for in Article 113, paragraph 1, item (2) of the Ordinance (excluding journals of Commodity Derivative Transactions; hereinafter, the same applies in this article).

2. The books provided for in Article 113, paragraph 1, item (1) and (2) of the Ordinance must be prepared in accordance with the provisions of paragraph 1 of the same, maintained in the headquarter, branches, or other sales offices or business offices of the Broker Participant, and kept for a period of five (5) years in the case of books provided for in paragraph 1, item (1) of the same or for a period of 10 years in the case of books provided for in paragraph 1, item (2) of the same (or for a period of seven (7) years in the case of order forms), in accordance with the provisions of paragraph 2 of the same. In such cases, the storage of the books may be replaced by storage by electromagnetic means, as provided for in Article 114 of the Ordinance.

(Separate Accounting and Retention of Books of Remote Broker Trading Participants)

Article 129-2. Remote Broker Trading Participants must account for transactions on their own account separately from transactions on the accounts of Overseas Customers.

2. The books must be prepared in the manner set forth in the Enforcement Rules on Enforcement Concerning Trading Participants, maintained in the sales offices or other business offices where the Remote Broker Trading Participant performs transactions on the Commodity Markets of the Exchange, and kept for a period of 10 years; provided, however, that the storage of the books may be replaced by storage by electromagnetic means, in accordance with the provisions of Article 128, Paragraph 2.

(Demand for Submission of Books and Audit)

Article 130. The Exchange may order the submission of the books, documents, and other materials provided for in the preceding three articles and an explanation thereof, whenever deemed necessary by the Exchange.

2. Where it is necessary for the purpose of reporting to the competent minister in accordance with the provisions of Article 112, item (2) of the Act, Article 48 of the Ordinance, Article 157, paragraph 1 of the Act, or Article 349-2, paragraph 1 of the Act, the Exchange may order Trading Participants to submit materials to serve as a reference and may seek an explanation of the circumstances thereof.
3. Upon a request for the submission of information from Osaka Exchange, in relation to an inspection for the purpose of maintaining the fairness of the market derivatives transactions and other transactions, etc., or from JSCC, in relation to an inspection for the purpose of maintaining the fairness of the operation of commodity transaction obligation assumption services, etc., the Exchange may order Trading Participants to submit the books, documents, and other materials set forth in the preceding three articles and provide an explanation thereof at any time, when the Exchange deems it appropriate to respond to such requests.
4. In cases when the Exchange has entered into an Information Exchange Agreement, etc., and the Exchange is requested to provide information based on the agreement, if the Exchange deems it appropriate to respond to such requests, the Exchange may respond to such requests. In such cases, the Exchange may order the Trading Participant to submit the documents required and provide an explanation thereof.

5. When deemed necessary by the Exchange, the Exchange may at any time dispatch its staff to the business office or sales office of a Trading Participant, an entity with a controlling relationship with the Trading Participant, or an entity with another close relationship with the Trading Participant, to audit the books, documents, and other materials relevant to the business operations thereof.
6. A Trading Participant may not refuse an order for submission of books and documents under Paragraphs 1 through 4 and audit under the preceding paragraph without justification.
7. The Exchange may require audit certification from a certified public accountant from the Trading Participant, when it is deemed necessary by the Exchange to clarify the status of the assets and finances of the Trading Participant.

(Input of Orders Through System Trading)

- Article 131. The input of sale or purchase orders through System Trading shall be performed by Trading Participants, or an officer or employee of Trading Participants, if they are a legal entity.
2. Trading Participants must accept liability for any and all actions pertaining to inputs as set forth in the preceding paragraph.

(Prohibition of False Report on Transaction)

- Article 132. When reporting transactions on the Commodity Markets of the Exchange to the Exchange, Trading Participants must not misrepresent any new sale orders, purchase orders, resale, repurchase, or other equivalent matters.

(Duties of Employer)

- Article 133. A Broker Participant or a Remote Broker Trading Participant must accept liability for any and all actions taken by its employees with the Customers of the Broker Participant or the Overseas Customers of the Remote Broker Trading Participant in relation to transactions on the Commodity Markets of the Exchange.

Subsection 2 Duties, Obligations, etc., of Trading Participants Without Commodity Transaction Clearing Qualification

(Appointment of Designated Clearing Participant)

- Article 134. Non-Clearing Participants must designate a Designated Clearing Participant for the entrustment of Commodity Clearing Transactions pertaining to transactions on the Commodity Markets of the Exchange.
2. A Non-Clearing Participant intending to designate or change his or her Designated Clearing Participant as provided for in the preceding paragraph must submit an application to the Exchange and obtain approval therefrom in advance, in the manner set forth in the Enforcement Rules on Enforcement Concerning Trading Participants.

(Notification of Conclusion of Clearing Agreement)

- Article 135. A Non-Clearing Participant intending to enter into a Clearing Agreement must notify the Exchange in advance of the details of such agreement in the manner set forth in the Enforcement Rules on Enforcement Concerning Trading Participants.

(Reporting of Cancellation of Clearing Agreement)

- Article 136. In the event of cancellation of a Clearing Agreement, the Non-Clearing Participant must report the details thereof to the Exchange in the manner provided for in each of the following items in, accordance with the type of cancellation as set forth in each item.
- (1) Cancellation through mutual agreement  
To be reported by the day four (4) business days prior to the intended date of such cancellation.
  - (2) Cancellation by advance written notice of the intent to cancel the agreement from the Non-Clearing Participant to the Designated Clearing Participant  
To be reported without delay after the date of notification of the intent to cancel.

- (3) Cancellation by advance written notice of the intent to cancel the agreement from the Designated Clearing Participant to the Non-Clearing Participant  
To be reported without delay after the date of receipt of the intent to cancel.
- (4) Cancellation due to the acceleration of obligations pertaining to transactions based on the entrustment of Commodity Clearing Transactions of the Non-Clearing Participant  
To be reported no later than the day immediately preceding the intended date of such cancellation.

## Section 5 Sanctions, Measures, etc., Against Trading Participants

### (Sanctions Against Trading Participants)

Article 137. If the Exchange deems that a Trading Participant falls under any of the following Items, the Exchange may impose the sanctions specified in the respective item on the Trading Participant.

- (1) In the event that a Trading Participant fails to pay or deposit money such as guarantee funds or Trading Participation Fees etc. or Appropriation Securities that it must pay or deposit to the Guarantee Fund or otherwise to the Exchange by the date determined by the Exchange, the Exchange may issue an admonitory warning, suspend or restrict the Trading Participant from transactions or the entrustment of Commodity Clearing Transactions on all or some Commodity Markets of the Exchange, for a period determined by the Exchange of up to six (6) months, or cancel the trading qualification of the Trading Participant;
- (2) In the event that a Trading Participant lends its name to others for transactions on the Commodity Markets of the Exchange, the Exchange may impose a fine in the amount of 100 million (100,000,000) yen or less, suspend or restrict the Trading Participant from transactions or the entrustment of Commodity Clearing Transactions on all or some Commodity Markets of the Exchange, for a period determined by the Exchange of up to six (6) months, or cancel the trading qualification of the Trading Participant;
- (3) In the event that a Trading Participant raises objections without justifiable grounds to the execution of transactions on the Commodity Markets of the Exchange, otherwise substantially violates the order of the Commodity Markets of the Exchange, or substantially impedes the executions of other Trading Participants, the Exchange may issue an admonitory warning, impose a fine in the amount of 100 million (100,000,000) yen or less, suspend or restrict the Trading Participant from transactions or the entrustment of Commodity Clearing Transactions on all or some Commodity Markets of the Exchange, for a period determined by the Exchange of up to six (6) months, or cancel the trading qualification of the Trading Participant;
- (4) In the event that a Trading Participant is suspended from conducting transactions with banks, the Exchange may suspend or restrict the Trading Participant from transactions or the entrustment of Commodity Clearing Transactions on all or some of the Commodity Markets of the Exchange for a period determined by the Exchange of up to six (6) months, or cancel the trading qualification of the Trading Participant;
- (5) In the event of misrepresentation of the amount of net assets, the Exchange may impose a fine in the amount of 100 million (100,000,000) yen or less, suspend or restrict the Trading Participant from transactions or entrustment of Commodity Clearing Transactions on all or some of the Commodity Markets of the Exchange, for a period determined by the Exchange of up to six (6) months, or cancel the trading qualification of the Trading Participant;
- (6) In the event that the Exchange orders a Trading Participant to submit the books and other documents or reports, or summons the Trading Participant or its employee to appear in person with justifiable reasons, and the Trading Participant fails to obey such order or summons without justifiable reason, or submits false books, or other documents or reports, the Exchange may issue an admonitory warning, impose a fine in the amount of 100 million (100,000,000) yen or less, suspend or restrict the Trading Participant from transactions or entrustment of Commodity Clearing Transactions on all or some of the Commodity Markets of the Exchange, for a period determined by the Exchange of up to six (6) months, or cancel the trading qualification of the Trading Participant;
- (7) In the event that a Trading Participant does not comply with directions, requests for change, or decisions of the Exchange, or evades such matters without justifiable reason, the Exchange may issue an admonitory warning, impose a fine in the amount of 100 million



- (100,000,000) yen or less, suspend or restrict the Trading Participant from transactions or entrustment of Commodity Clearing Transactions on all or some of the Commodity Markets of the Exchange, for a period determined by the Exchange of up to six (6) months, or cancel the trading qualification of the Trading Participant;
- (8) In the event that a Trading Participant acts in a manner that violates the fair and equitable principles of transactions, or acts in way that harms the credibility of the Exchange or its Trading Participants, the Exchange may issue an admonitory warning, impose a fine in the amount of 100 million (100,000,000) yen or less, suspend or restrict the Trading Participant from transactions or entrustment of Commodity Clearing Transactions on all or some of the Commodity Markets of the Exchange, for a period determined by the Exchange of up to six (6) months, or cancel the trading qualification of the Trading Participant; or
  - (9) In addition to the matters set forth in each of the preceding items, in the event that a Trading Participant violates applicable laws and regulations, the Articles of Incorporation, these Market Rules, the Brokerage Contract Rules, the Dispute Resolution Regulations, or the provisions of other rules set forth by the Exchange, or violates any disposition pursuant to such provisions, the Exchange may issue an admonitory warning, impose a fine in the amount of 100 million (100,000,000) yen or less, suspend or restrict the Trading Participant from transactions or entrustment of Commodity Clearing Transactions on all or some of the Commodity Markets of the Exchange, for a period of up to six (6) months, or cancel the trading qualification of the Trading Participant.
2. In cases where the Exchange has issued an admonitory warning, imposed a fine, or ordered the suspension or restriction of transactions or entrustment of Commodity Clearing Transactions as described in the preceding paragraph, in addition to these sanctions, the Exchange may also determine a date and time and order a Trading Participant who perform the relevant actions to take measures to remedy the situation arising from the actions set forth in each of the items in the preceding paragraph.
  3. In cases described in the preceding paragraph, the Exchange may cancel the trading qualification of a Trading Participant who fails to take the measures ordered by the prescribed date and time.
  4. If a Trading Participant falls under any of the items in Paragraph 1 as a result of the acts of its employees, the Trading Participant may not be released from liability therefor on the grounds that it the liability is based on the actions of its employees.
  5. Under Paragraph 1, the Exchange may impose a fine, in addition to suspending or restricting transactions or entrustment of commodity clearing transactions, or both.
  6. If a Trading Participant who is subject to a sanction of suspension or restriction of transactions or entrustment of Commodity Clearing Transactions on all or some of the Commodity Markets of the Exchange, or the cancellation of trading qualification, pursuant to the provisions of Paragraph 1 or Paragraph 3, is also a Trading Participant of another commodity exchange, the Exchange shall inform the other commodity exchange of the Trading Participant's name or trade name, type of sanction, and the reasons therefor, as well as a summary of the examination process, such that this information arrives before the sanction is enforced.
  7. For Trading Participants who are subject to a sanction of suspension or restriction of transactions or entrustment of Commodity Clearing Transactions on all or some of the Commodity Markets of the Exchange, or the cancellation of trading qualification pursuant to the provisions of Paragraph 1 and Paragraph 3, the Exchange will inform JSCC of Trading Participant's name or trade name, type of sanction, and the reasons therefor, as well as a summary of the examination process, such that this information arrives before the sanction is enforced.

(Opportunity to Provide Explanation Against Sanctions)

- Article 138. When the Exchange intends to impose sanctions on a Trading Participant pursuant to the provisions of the preceding article, the Exchange must notify the Trading Participant to that effect in advance, and provide the Trading Participant, or its agent, with an opportunity to provide explanation; provided, however, that the Trading Participant may submit a written statement to the Exchange in lieu of the provision of an explanation.
2. In cases described in the preceding paragraph, when canceling the trading qualification of a Trading Participant, the Exchange shall send written notice to that effect, together with the reasons for the cancelation of trading qualification, to the Trading Participant by no later than

10 days prior to the date thereof.

3. In cases described in Paragraph 1, if a Trading Participant or the agent thereof who was given an opportunity to provide an explanation does not attend without justifiable reason, the Exchange may make a decision to impose sanctions, the provisions of this paragraph notwithstanding.

(Suspension of Transaction)

Article 139. If a Trading Participant falls under any of the cases set forth in each of the following items, the Exchange shall take the measures set forth in the provisions of the relevant item; provided, however, that for Item (4) and Item (5), if a Broker Participant remains a Trading Participant of the Exchange, the Exchange shall take measures as provided for in the same item within a scope deemed necessary by the Exchange.

- (1) In the event that a Clearing Participant has its commodity transaction clearing qualification cancelled by JSCC or is subject to the suspension of all or a part of the assumption of liabilities (excluding cases arising from measures provided for in Paragraph 2, Item (2) of the next article), the Exchange may suspend the Clearing Participant from transactions on the Commodity Markets of the Exchange to the extent that it corresponds to the relevant disposition;
  - (2) In the event that the Designated Clearing Participant of a Non-Clearing Participant has its commodity transaction clearing qualification cancelled by JSCC, or is subject to the suspension of all or a part of the assumption of liabilities, the Exchange may suspend the Non-Clearing Participant from transactions or the entrustment of Commodity Clearing Transactions on the Commodity Markets of the Exchange to the extent that it corresponds to the relevant disposition;
  - (3) In the event that a Non-Clearing Participant has not designated a Designated Clearing Participant, the Exchange may suspend the Non-Clearing Participant from transactions or the entrustment of Commodity Clearing Transactions on the Commodity Markets of the Exchange;
  - (4) In the event that a Broker Participant or a Remote Broker Trading Participant has given a public notice, in accordance with Article 197, paragraph 3 of the Act or the provisions of equivalent laws or regulations of a foreign state, and the Broker Participant or the Remote Broker Trading Participant does not submit a notice for the full waiver of trading qualification as provided for in Article 104The Exchange may suspend the Non-Clearing Participant from transactions or the entrustment of Commodity Clearing Transactions on the Commodity Markets of the Exchange
  - (5) In the event that a Broker Participant or a Remote Broker Trading Participant has submitted notice, in accordance with Article 126, Paragraph 2, Item (4) or Item (5) of the same The Exchange may suspend the Non-Clearing Participant from transactions or the entrustment of Commodity Clearing Transactions on the Commodity Markets of the Exchange
2. In cases described in Item (3) of the preceding paragraph if a Designated Clearing Participant ceases to be a Designated Clearing Participant owing to the cancelation of a Clearing Agreement with a Non-Clearing Participant, then the provisions of the same item notwithstanding, the Non-Clearing Participant may conduct transactions or entrust Commodity Clearing Transactions on the Commodity Markets of the Exchange, with the approval of the Exchange, within the scope necessary to cancel any unsettled transactions based on transactions or the entrustment of Commodity Clearing Transactions on the Commodity Markets of the Exchange by the Non-Clearing Participant.
  3. In cases described in the preceding paragraph, the entity that was a Designated Clearing Participant up to that point shall be deemed the Designated Clearing Participant of the relevant Non-Clearing Participant within the scope necessary to cancel any unsettled transactions based on transactions or the entrustment of Commodity Clearing Transactions on the Commodity Markets of the Exchange by the Non-Clearing Participant.
  4. In cases where Trading Participants who fall under Paragraph 1 (limited to cases falling under Item (3), Item (4), or Item (5)) are a Trading Participant, etc., of another commodity exchange, the Exchange shall notify the other commodity exchange of the name or trade name of the Trading Participant and the details thereof.
  5. The Exchange shall notify JSCC of the name or trade name of the Trading Participant who fell under Paragraph 1 (limited to cases falling under Item (3), Item (4), or Item (5)) and the details thereof.

6. Article 144 shall apply mutatis mutandis to cases where the Exchange takes measures pursuant to the provisions of Paragraph 1.

(Measures in Case of Default)

Article 140. In cases where a Trading Participant has fallen under any of the cases set forth in each of the following items, the Exchange shall suspend the transactions or the entrustment of Commodity Clearing Transactions on the Commodity Markets of the Exchange by the Trading Participant (hereinafter, referred to as the "Defaulting Person" in this article), and shall also dispose of the unsettled positions of the Trading Participant pursuant to the provisions of Article 84.

- (1) When Trading Participants do not deposit the Guarantee Fund; or
  - (2) When Trading Participants do not pay or deposit Trading Participation Fees or other money that is required to be paid to or deposited with the Exchange.
2. In the event that a Trading Participant falls under any of the cases set forth in the following items, the Exchange shall deem the said Trading Participant a Defaulting Person and shall apply the provisions of the preceding paragraph.
- (1) When Trading Participants are subject to a decision to commence bankruptcy proceedings, or equivalent treatment under the laws and regulations of a foreign state;
  - (2) When Clearing Participants are treated as an insolvent, etc., by JSCC;
  - (3) When there is a notification as described in Article 126, Paragraph 1, Item (2);
  - (4) When a Trading Participant has become a Defaulting Person on another commodity exchange or similar treatment from a facility in a foreign state equivalent to a commodity exchange.
3. When a Designated Clearing Participant of a Non-Clearing Participant becomes a Defaulting Person in accordance with the provisions of the preceding two paragraphs, the Non-Clearing Participant shall be deemed to be a Defaulting Person and the provisions of Paragraph 1 shall be applied; provided, however, that this shall not apply in cases when the Non-Clearing Participant immediately designates another Designated Clearing Participant, or the Exchange otherwise specially recognizes that there is no need to deem the Non-Clearing Participant a Defaulting Person.
4. When the Exchange receives from a Designated Clearing Participant an application to cover the unsettled positions of a Non-Clearing Participant whose performance obligations to the Designated Clearing Participant have been accelerated pursuant to the Clearing Agreement, upon verification of the relevant facts, the Exchange shall deem the Non-Clearing Participant a Defaulting Person and apply the provisions of Paragraphs 1, 4, and 5 of the preceding articles.
5. In cases where a Trading Participant who falls under Paragraph 1, Paragraph 2 (limited to when the Trading Participant falls under the cases set forth in Item (1) or Item (3)), or Paragraph 3 (limited to when the Trading Participant falls under the cases set forth in Paragraph 1 or Paragraph 2, Item (1)) is also a Trading Participant, etc., of another commodity exchange in Japan, the Exchange shall inform the other commodity exchange of the name or trade name of the Trading Participant and the details thereof.
6. The Exchange shall inform JSCC of the name or trade name any Trading Participant who falls under Paragraph 1, Paragraph 2 (limited to when the Trading Participant falls under the cases set forth in Item (1) or Item (3)), or Paragraph 3 (limited to when the Trading Participant falls under the cases set forth in Paragraph 1 or Paragraph 2, Item (1)), and the details thereof.
7. Article 144 shall apply mutatis mutandis to cases where the Exchange takes measures pursuant to the provisions of Paragraph 1 and Paragraph 2.

(Lifting of Suspension of Transactions)

Article 141. A Trading Participant who is subject to sanctions of suspension or restriction of transactions or the entrustment of Commodity Clearing Transactions on all or some of the Commodity Markets of the Exchange pursuant to the provisions of Article 137, Paragraph 1 shall notify the Exchange in writing when it has removed the cause of the sanction or has taken measures as ordered pursuant to the provisions of Paragraph 2 of the same by the specified deadline. In such cases, the Trading Participant may apply for the lifting of the

sanction.

2. Notification pursuant to the provisions of the preceding paragraph must be accompanied by an explanation of the measures the Trading Participant has taken to remove the cause of the sanction
3. Upon receipt of the documents pursuant to the provisions of Paragraph 1, the Exchange may lift or reduce the sanctions of suspension or restriction of transactions or the entrustment of Commodity Clearing Transactions if it is deemed appropriate based on an examination thereof.
4. The provisions of Article 137, Paragraph 6 and 7, as well as Article 144, shall apply mutatis mutandis to the lifting or reduction of sanctions pursuant to the provisions of the preceding paragraph.

(Objection)

Article 142. In cases where a Trading Participant disagrees with the sanction imposed on it (excluding the cancellation of trading qualification), the Trading Participant may file an objection, in writing, with the Exchange within 10 days of the enforcement date of the sanction.

2. Upon receipt of the statement of objection in accordance with the provisions of the preceding paragraph, the Exchange shall examine the statement and decide whether to approve or disapprove the objection.
3. A Trading Participant who files an objection must bear any expenses incurred in relation to the examination, if the objection is not approved.
4. The provisions of Article 144 shall apply mutatis mutandis to cases in which a decision is made concerning approval or disapproval pursuant to the provisions of Paragraph 2.

(Special Rules for Sanctions)

Article 143. The provisions of Article 137, Paragraph 1 notwithstanding, when a Trading Participant is subject to sanctions of suspension or restriction of transactions or the entrustment of Commodity Clearing Transactions by another commodity exchange, or is subject to the cancellation of commodity transaction clearing qualification, or suspension or restriction of all or a part of the assumption of liabilities by JSCC, the Exchange may impose sanctions on the Trading Participant within the scope of the dispositions, or impose a fine of 100 million (100,000,000) yen or less.

2. In the event the Exchange suspends or restricts transactions or the entrustment of Commodity Clearing Transactions as a sanction pursuant to the provisions of the preceding paragraph, it may, upon receiving a notice similar to the notice set forth in Article 141, Paragraph 4 from another commodity exchange or JSCC, lift or reduce the sanction it imposed on the Trading Participant.
3. In addition to cases pursuant to the provisions of Paragraph 1, in cases where a Trading Participant is ordered to suspend transactions or the Commodity Futures Business on Commodity Markets by the competent minister pursuant to the provisions of Article 232, paragraph 2, Article 235, paragraph 2, or Article 236, paragraph 1 of the Act, the Exchange shall, in accordance with the details of the disposition, impose on the Trading Participant sanctions of suspension or restriction of transactions or the entrustment of Commodity Clearing Transactions on all or some of the Commodity Markets of the Exchange.
4. In addition to cases pursuant to the provisions of Paragraph 1, in cases where the Exchange receives an order from the competent minister to cancel the trading qualification of Trading Participant, or suspend a Trading Participant from transactions or the entrustment of Commodity Clearing Transactions on Commodity Markets for a period of up to six (6) months, as specified by the Exchange pursuant to the provisions of Article 160 of the Act, it shall enforce the sanctions on the Trading Participant pursuant to the order.
5. The provisions of Article 138 shall apply mutatis mutandis to cases in which the Exchange intends to impose sanctions pursuant to the provisions of Paragraph 1, and the provisions of Article 137, Paragraphs 6 and 7, as well as the provisions of the following article, shall apply mutatis mutandis to cases in which the Exchange imposed sanctions pursuant to the provisions of Paragraph 1.
6. The provisions of Article 137, Paragraph 6 and 7, as well as the following article, shall apply

mutatis mutandis to the lifting or reduction of sanctions pursuant to the provisions of Paragraph 2.

(Notification of Sanctions)

Article 144. When the Exchange makes a decision concerning sanctions on a Trading Participant, it shall notify the Trading Participant to that effect, indicating the reasons, in writing and without delay.

(Display of Suspension of Commodity Futures Transactions Business, etc.)

Article 145. A Broker Participant who has been suspended from the Commodity Futures Business or a Remote Broker Trading Participant who has been suspended from transactions by an order in accordance with the provisions of laws and regulations in Japan or overseas must display a notice somewhere that can easily be viewed by the public to the effect that it will not accept the entrustment of transactions on the Commodity Markets of the Exchange during the suspension period.

(Notification)

Article 146. If a Trading Participant discovers a breach of the Articles of Incorporation, these Market Rules, the Brokerage Contract Rules, the Dispute Resolution Regulations, or other rules by another Trading Participant, or discovers wrongful deeds or improper behavior regarding transactions by another Trading Participant, the relevant Trading Participant may inform the Exchange of those facts by written notice with his or her signature and seal affixed.

2. Upon receipt of a written notice as provided for in the preceding paragraph, the Exchange must immediately deliver a copy of the written notice with the name or trade name of the reporter deleted to the Trading Participant about whom the report was made and request a response thereto.
3. A Trading Participant who receives delivery of a copy of a written notice as described in the preceding paragraph must submit a written response, with name and seal affixed, to the Exchange within five (5) days from the day on which it received the copy of the written notice, or by the day designated by the Exchange.
4. Upon receipt of a response in accordance with the provisions of the preceding paragraph, or if the Exchange does not receive a response as set forth in the preceding paragraph, the Exchange shall deliberate the content of the report without delay.
5. If, as a result of deliberations in accordance with the provisions of the preceding paragraph, the Exchange deems that the Trading Participant about whom the report was submitted falls under any of the items of Article 137, Paragraph 1, the Exchange shall proceed with sanctions in accordance pursuant to the provisions of this chapter.

(Actions that Violate the Fair and Equitable Principles of Transactions)

Article 147. Acts that violate the fair and equitable principles of transactions shall refer to those set forth in each of the following items.

- (1) Engaging in unfair transactions or entrustment;
- (2) Not maintaining credibility;
- (3) Engaging in acts that do not protect Customers;
- (4) Engaging in careless or negligent transactions or acceptance of entrustment.

(Recommendation)

Article 148. In the event that the Exchange recognizes that business activities pertaining to the transactions of a Trading Participant on the Commodity Markets of the Exchange, other business activities that the Trading Participant engages in, the business activities of another legal entity with a controlling relationship with the Trading Participant, or the status of assets, etc., are inappropriate in view of the purpose of the Exchange or the operations of the Commodity Markets of the Exchange, it may recommend that the Trading Participant takes appropriate measures.

2. When recommendations are given as described in the preceding paragraph, the Exchange may request that the Trading Participant reports its response, if it is deemed necessary.

## Section 6 Other

(Interest on Deposits)

Article 149. The Exchange shall not pay any interest on any Guarantee Fund deposited by Trading Participants in the form of cash.

## Chapter 13 Miscellaneous Provisions

(Matters to be Indicated)

Article 150. The Exchange shall indicate the matters listed in each of the following items.

- (1) Changes to the Articles of Incorporation, Market Rules, Brokerage Contract Rules, Dispute Resolution Rules, or Market Transactions Surveillance Committee Rules
- (2) Matters related to the acquisition, addition, or waiver of trading qualification
- (3) Changes in the category of trading qualification
- (4) Changes to Corporate Trading Participant Representatives
- (5) Changes to the personal name, trade name, or company name of Trading Participants
- (6) Fines for Trading Participants
- (7) The suspension or restriction of transactions, or the lifting or reduction thereof
- (8) The cancellation of trading qualification
- (9) Extraordinary suspensions or extraordinary holding of sessions
- (10) Changes in the time of sessions
- (11) Changes in the last session, the final day of transactions, and the final settlement day
- (12) Restrictions on the volume of trades or unsettled positions
- (13) The determination of or change to the amounts or rates of trading participation fees and other money that must be paid to the Exchange
- (14) Matters concerning delivery
- (15) For Physically Delivered Futures Transactions and Cash-settled Rolling Spot Futures Transactions, the total volume of trading and the prices that transactions were executed at for each category of Listed Commodity and Contract Term, for each Clearing Period on Commodity Markets, as well as the open, high, low, and close prices per unit amount
- (15)-2 For Index Futures Transactions, the total transaction volume for each category of Listed Commodity Index and Contract Term, for each Clearing Period on Commodity Markets, as well as the open, high, low, and final execution values for which transactions were executed.
- (16) For Physically Delivered Futures Transactions and Cash-settled Rolling Spot Futures Transactions, the total open interest for each category of Listed Commodity, Contract Term, Trading Participant (for Broker Participants, separate unsettled positions on the accounts of Customers and unsettled positions on its own account), and long and short positions, for each Clearing Period on Commodity Markets
- (16)-2 For Index Futures Transactions, the total open interest for each category of Listed Commodity Index, Contract Term, Trading Participant (for Broker Participants, separate unsettled positions on the accounts of Customers and unsettled positions on its own account), and long and short positions, for each Clearing Period on Commodity Markets
- (17) For Spot Transactions, the total volume of trading and the prices that transactions were executed at for each category of Listed Commodity, for each Clearing Period on Commodity Markets, as well as the open, high, low, and close prices per unit amount
- (18) Other matters deemed necessary by the Exchange, other than those provided in each of the preceding items

2. The Exchange shall indicate the matters set forth in each of the items of the preceding paragraph by electromagnetic means equivalent to the electronic public notice of the Exchange.
3. The period for the indication of the matters set forth in each item of Paragraph 1 shall be until the purpose thereof has been completed for Items (1) through (8), five (5) days for Items (9) through (14), on the day itself for Items (15) through (17), and as determined by the Exchange for Item (18).
4. After an indication as described in Paragraph 1, Trading Participants shall not be able to insist upon a lack of knowledge of these matters indicated.

(Emergency Measures)

Article 151. When emergency measures are required in relation to matters not specified in these Market Rules, the Exchange shall determine such measures by resolution of the Board of Directors, in accordance with the intent of these Market Rules.

(Special Measures in Case of Force Majeure)

Article 152. In the event that the Exchange recognizes that it is impossible or extremely difficult for a Trading Participant to perform transactions on the Commodity Markets of the Exchange or otherwise perform its obligations set forth in these market rules owing to natural disaster, drastic changes in economic conditions, or other unavoidable reasons, the Exchange may delay the performance of obligations or take other special measures until the causes thereof have been reduced or removed.

(Measures Based on an Order of the Regulating Minister)

Article 153. If the competent minister issues an order to the Exchange in relation to the matters listed in Article 118, item (2) of the Act, pursuant to the provisions of Article 118 of the same, a representative director of the Exchange shall take the necessary measures pursuant to that order.

(Decision on Necessary Matters Concerning Market Administration)

Article 154. In addition to the provisions of these Market Rules, the Exchange may make decisions concerning necessary matters related to market administration.

(Objection)

Article 155. Trading Participants, Customers, etc., shall not be able to raise an objection against measures taken by the Exchange pursuant to the procedures set forth in these Market Rules, excluding cases when there are special provisions.

## Chapter 14 Deleted

Articles 156 through 159 Deleted

## Chapter 15 Special Rules Related to Cash-settled Futures

(Theoretical Spot Price)

Article 160. The Exchange shall calculate the Theoretical Spot Price in the manner set forth in the Enforcement Rules on Cash-settled Rolling Spot Futures Transactions.

2. The Exchange shall notify JSCC of the Theoretical Spot Price calculated pursuant to the preceding paragraph.
3. Trade agreements for unsettled positions for Cash-settled Rolling Spot Futures Transactions shall be completed by resale or repurchase, and any unsettled positions for which trade agreements are not completed via resale or repurchase shall be rolled over at the theoretical spot price, as provided for in Paragraph 1.

## Chapter 16 Special Provisions for Index Futures Transaction Settlement

### (Final Settlement Day)

Article 161. The final settlement day for Japanese rice futures price index transactions shall be the last business day of even-numbered months.

2. The provisions of the preceding paragraph notwithstanding, when it is deemed necessary, the Exchange may determine that a business day after the last business day of an even-numbered month shall temporarily be the final settlement day. In such cases, the Exchange shall notify Trading Participants accordingly in advance.

### (Final Settlement Value)

Article 162. The final settlement value for Japanese rice futures price index transactions shall be the Average Rice Price, and the Exchange shall promptly notify JSCC thereof after it is calculated.

### (Settlement Method for Unsettled Positions for the Current Contract Month)

Article 163. The Exchange shall order the settlement of transactions at the final settlement value provided for in the preceding article for any positions that have not been settled by resale or repurchase by the final day of transactions of the current contract month.

### (Delivery and Receipt of Money in Accordance with Final Settlement)

Article 164. When there is a difference when comparing the final settlement value and the Settlement Value on the final day of transactions of the current contract month in the final settlement for Japanese rice futures price index transactions, Non-Clearing Participants shall deliver or receive money equivalent to that difference with the Designated Clearing Participants on the final settlement day. In such cases, a paying Non-Clearing Participant must deliver this money to the Designated Clearing Participant by the date and time specified by the Designated Clearing Participant, by no later than the settlement cutoff time prescribed by JSCC.

### (Settlement Pursuant to Trade on Designated Spot Market)

Article 165. In the event that a Trading Participant with an unsettled position in Japanese rice futures price index transactions, person who has entrusted Japanese rice futures price index transactions to a Broker Participant ("Japanese Rice Futures Price Index Transaction Customer"), or person who has entrusted the brokerage of the entrustment of Japanese rice futures price index transactions to an Intermediary ("Japanese Rice Futures Price Index Transaction Customer of Intermediaries") agrees with a Trading Participant, Japanese Rice Futures Price Index Transaction Customer, or Japanese Rice Futures Price Index Transaction Customer of Intermediaries with an opposing unsettled position for the same contract month to complete the relevant Japanese rice futures price index transactions, then, after completing the trade on the Japanese rice spot market designated by the Exchange (the "Designated Spot Market") by the final day of transactions of the current contract month, the Trading Participant submits an application to that effect, the Exchange shall deem that resale or repurchase has been performed for any unsettled positions in the relevant application, and shall complete the relevant Japanese rice futures price index transactions. In such cases, the value at which the transaction is completed shall be the Settlement Value of the Japanese rice futures price index (the Settlement Value for the same contract month in which both the parties performing the trade on the Designated Spot Market hold unsettled positions) on the day of the trade on the relevant Designated Spot Market (if this day is a non-business day for the Exchange, the immediately preceding business day).

2. The volume for the completion of transactions provided for in the preceding paragraph shall be



based on agreement between the interested parties in the trade on the Designated Spot Market.

3. Applications provided for in Paragraph 1 must be submitted by no later than two (2) days after the day of the trade on the Designated Spot Market (if the day two (2) days after is a non-business day for the Exchange, the next business day after that day); provided, however, that when attempting to complete transactions for the current contract month based on trades on Designated Spot Markets on the final day of transactions of the current contract month or the day before that day, the application must be submitted by no later than the relevant final day of transactions for the current contract month.
4. The Exchange must receive the application in Paragraph 1 during the period between 8:45 a.m. and 4:40 p.m. on the application date provided for in the preceding paragraph.

(Method of Application)

Article 166. Trading Participants who submit an application pursuant to the provisions of Paragraph 1 of the preceding article must submit to the Exchange the application form set forth by the Exchange, together with proof that the trade was completed on the Designated Spot Market, and other documents separately determined by the Exchange, etc.

(Application Completion and Approval)

Article 167. Applications provided for in Article 165, Paragraph 1 shall become effective only when an application based on either a seller or a buyer's position matches an application submitted to correspond to that application.

2. The Exchange shall approve applications completed pursuant to the provisions of the preceding paragraph when the Exchange has confirmed that the trade was performed on the Designated Spot Market. In such cases, the Exchange shall notify the Trading Participants that submitted the application of the fact that the application was approved, without delay.
3. In order to perform the confirmation provided for in the preceding paragraph, the Exchange may request the submission of information from Designated Spot Markets.

(Applications for Change or Cancellation)

Article 168. Trading Participants may submit an application for change or cancellation with regard to an application completed pursuant to Paragraph 1 of the preceding article; provided, however, that the seller and buyer must jointly submit these applications by no later than 4:40 p.m. on the effective date of the application pursuant to the provisions of Paragraph 1 of the preceding article.

2. Applications described in the preceding paragraph shall be submitted on the application form separately determined by the Exchange.
3. The provisions of the preceding article shall apply mutatis mutandis to applications for change or cancellation described in the preceding paragraph.

Supplementary Provisions (March 19, 2021)

1. These Market Rules shall come into effect on April 1, 2021, or the date of approval by the Minister of Agriculture, Forestry and Fisheries (March 19, 2021), whichever is later (the "Effective Date").
2. In accordance with the enactment of these Market Rules, the Market Rules that were effective before the Effective Date shall be rescinded.
3. Matters that were performed pursuant to the Articles of Incorporation and the Market Rules before the Effective Date shall be deemed to have been performed based on the equivalent provisions of these Market Rules on the Effective Date.

Supplementary Provisions (May 10, 2022)

1. Changes to these Market 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 (July 13, 2022)

Changes to these Market Rules shall come into effect on the date of approval by the Minister of Agriculture, Forestry and Fisheries (July 13, 2022) or October 4, 2022, whichever is later.

Supplementary Provisions (October 27, 2022)

1. Changes to these Market 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 market rules, a Trading Participant may provide notification to the Exchange in accordance with the provisions of Article 49-3, Paragraph 2, Article 54-2, Paragraph 2, and Article 64-2, Paragraph 2. 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 Market Rules shall come into effect on November 23, 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) (October 17, 2023), whichever is later.

Supplementary Provisions (November 23, 2023)

Changes to these market 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.

Supplementary Provisions (June 21, 2024)

1. Changes to these Market Rules shall come into effect on November 23, 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) (October 17, 2023), whichever is later.
2. The first day of trading for Japanese rice futures price index transactions shall be the effective date of the changes to these Market Rules, and the provisions of Article 14-5 notwithstanding, the initial trading contract months shall be the February 2025 contract, April 2025 contract, and June 2025 contract. In addition, trading for the August 2025 contract shall begin on September 1, 2024, trading for the October 2025 contract shall begin on November 1, 2024, and trading for the December 2025 contract shall begin on January 6, 2025.
3. The provisions of the preceding paragraph notwithstanding, in the event that the Exchange recognizes it would not be appropriate for trading to start on the day set forth in the same paragraph owing to natural disaster or other unavoidable reasons, the Exchange may set a day on or after the date of enactment of the changes to these Market Rules as the first day of trading for Japanese rice futures price index transactions. In such cases, matters required for the start of trading shall be determined by the Exchange as required.

Supplementary Provisions (October 22, 2024)

1. These Market Rules shall come into effect on November 5, 2024.
2. Notwithstanding the provisions of the preceding paragraph, if it is not appropriate to take effect on the date specified in the preceding paragraph due to a hindrance in the operation of the trading system or other unavoidable reasons, the new trading system shall take effect on a date within three months from the said date, as separately determined by the Exchange.

Appended Table 1 (Related to Article 1, Paragraph 2)

Term	Definition
Contract month	Indicates a classification in trades where the unit used for the Contract Term is months
Current contract month	The contract month for the month that includes the Last Trading Day of the current contract month for Physically Delivered Futures Transactions and the final day of transactions of the current contract month for Index Futures Transactions
Last Trading Day of the current contract month	The day on which sessions for trades for each contract month end for Physically Delivered Futures Transactions
Final day of transactions of the Current Contract Month	The day on which sessions for trades for each contract month end for Index Futures Transactions
Final Settlement Day	The day on which all transactions for the current contract month on the relevant day are completed for Index Futures Transactions
New Contract Month	The contract month when new trading is commenced
Physically Delivered Futures Transaction	A transaction that is a purchase and sale transaction in which, as set forth in these Market Rules, the interested parties enter into a trade agreement for Standard Grade Materials and agree to deliver and receive Deliverables Materials and consideration therefor on the delivery day, which the parties may settle by delivering and receiving the difference if they resell or repurchase the Standard Grade Materials
Delivery date	The day on which Deliverables Materials and consideration therefor are delivered and received
Deliverables materials	Goods that the Exchange sets forth in each Enforcement Rules on Delivery as commodities that may be provided for delivery
Cash-settled Futures	Cash-settled Futures refer to transactions closed during a single Clearing Period, or that occur as a result of rollover (referring to when the resale or repurchase of unsettled positions for Cash-settled Futures is not performed in a Clearing Period where those unsettled positions exist, and any unsettled positions for which the relevant clearing period is the Contract Term are 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 are newly created (the contract term shall change to the clearing period immediately following the relevant clearing period; hereinafter, the same applies) at the end of a single Clearing Period, and are eliminated via resale, repurchase, or rollovers on own account and an order for resale or repurchase for the Customer, with the same
Spot Transaction	A purchase and sale transaction comprising an agreement between interested parties to deliver and receive a commodity and consideration therefor on a specific date, where the parties cannot complete the trade agreement by resale or repurchase
Standard Grade Materials Transaction	A method of trading in which Standard Grade Materials are used in the trade agreement and delivery may be performed with Deliverables Materials through the calculation of a delivery charge based on a grading for the Deliverables Materials compared with the Standard Grade Materials

Term	Definition
Commodity Index	A value that comprehensively shows the level of prices for two (2) or more commodity goods, a value calculated based on the difference between prices for a single commodity good and prices for another commodity good, and other values calculated based on the prices of two (2) or more commodity goods
Index Futures Transaction	A transaction pledging to deliver or receive money calculated based on the difference in the value agreed upon in advance for a Commodity Index and the actual value of the relevant Commodity Index at a certain point in time in the future
Grade Table	Tables determined by the Exchange for grading, as provided for in Article 104, Paragraph 1
Grading	Grades determined by the Exchange, as provided for in Article 104, Paragraph 1
Listed Commodity Component Products	Goods that the Exchange set forth in these market rules as included in Listed Commodities, as provided for in Article 2, paragraph 7 of the Act
Listed Commodity Index Underlying Products	Goods that the Exchange set forth in these market rules as included in goods underlying Commodity Indexes pertaining to Listed Commodity Indexes, as provided for in Article 2, paragraph 8 of the Act
Target of Trade	Items provided for in Article 10 and values provided for in Article 14-2
Standard Grade Materials	Items set forth in Article 11, Paragraph 2 as the Target of Trade in Physically Delivered Futures Transactions
Direct Market Accessor	Customers or Customer of Intermediaries to whom the entry of orders and other actions incidental to trading have been delegated by a Broker Participant who has entered into a direct market access agreement with the Exchange as set forth in the Enforcement Rules on Direct Market Access
Direct Market Access Method	A method of entering orders, etc., in which a Direct Market Accessor directly connects their own trading terminal to the central processing system of the Exchange
Central Processing System	A system in the Exchange for executing trades between matching orders
Give-up	The replacement of all or a part of the trade agreement of a Trading Participant who concluded the trade agreement as a trade agreement concluded by another Trading Participant, after the conclusion of a trade agreement pursuant to the provisions of Article 15 or Article 36-2 (excluding cases provided for in Article 15, Paragraph 5 or Article 36-2, Paragraph 5)
EFP Transactions	Transactions where, for Physically Delivered Futures Transactions, Cash-settled Futures, and Index Futures Transactions designated by the Exchange, persons who have entered into trade agreements concerning physically delivered transactions conclude a trade agreement between a buy order on the Exchange by a short contract holder in a physically delivered transaction and a sell order on the Exchange by a long contract holder in a physically delivered transaction, with the same price, Contract Term, and volume

Term	Definition
Stop Loss Transactions	Transactions where a Broker Participant who has entered into an agreement related to a Limited Loss Transaction with a Customer (a "Limited Loss Transaction Contract") will conclude a trade agreement by applying to the Exchange for an order on the Broker Participant's own account and an order for resale or repurchase for the Customer, with the same Contract Term, price, and volume, in accordance with the procedures set forth in the Limited Loss Transaction Contract
Limited Loss Transaction	Transactions where there is no risk that the amount of loss that will occur as a result of fluctuations related to markets, etc., on Commodity Markets (excluding entrustment fees) will exceed the amount of the Trading Margin for Customers, etc. (referring to the Trading Margin for Customers as provided for in the Brokerage Contract Rules and any Clearing Margin determined by the Broker Participant as necessary for the relevant transaction, and limited to that paid in advance for the transaction)
Loss Cut Order	An order for resale or repurchase submitted when the amount of the loss incurred by the Customer if it settles a transaction performed on its account, or the loss as a percentage of the Trading Margin for Customers, etc. (the "amount or percentage of loss on the account"), reaches an amount or percentage of loss on the account agreed upon in advance with the Customer
Commodity Transaction Clearing Organizations	Entities that have received permission from the competent minister pursuant to the provisions of Article 167 of the Act in relation to operate commodity transaction obligation assumption services
JSCC	Japan Securities Clearing Corporation Inc.
Business rules	Business rules related to commodity transaction obligation assumption services, as set forth by JSCC
Clearing Margin Rules	Rules related to clearing margins, etc., pertaining to commodity transaction obligation assumption services, set forth by JSCC pursuant to the provisions of the business rules
Clearing Participant	A Clearing Participant as provided for in Article 2, paragraph 19 of the Act
Commodity transaction clearing qualification	Commodity transaction clearing qualification as provided for in the business rules
Non-Clearing Participant	A Trading Participant on a Commodity Market of the Exchange who does not have commodity transaction clearing qualification pertaining to the relevant Commodity Market
Designated Clearing Participant	A single Clearing Participant to whom a Non-Clearing Participant always entrusts Commodity Clearing Transactions based on the conclusion of a Clearing Agreement (refers to entities with commodity transaction clearing qualification that are able to perform Commodity Clearing Transactions in accordance with the procedures set forth in the business rules)
Clearing Agreement	A clearing agreement as provided for in the business rules
Intermediaries	An entity that has obtained permission from the competent minister to engage in the Commodity Futures Transactions Business pursuant to the provisions of Article 190, paragraph 1 of the Act, and that accepts the broking of the entrustment of transactions

Term	Definition
Customer of Intermediaries	An entity that entrusts the broking of the entrustment of transactions to Intermediaries
Forced Liquidation	The cancelation of trade agreements pursuant to certain conditions determined by the Exchange
Off-floor Transactions	Transactions in which sell orders and buy orders with respect to Physically Delivered Futures Transactions, Cash-settled Futures, and Index Futures Transactions are executed at the same price, for the same Contract Term and for the same volume, regardless of the session
Entrustor Protection Fund	An Entrustor Protection Fund that has received approval pursuant to the provisions of Article 279 of the Act

Appended Table 2 Table Related to Calculation of the Average Rice Price (Related to Article 14-3)

1. The Average Rice Price, as provided for in Article 14-3, shall be calculated with the following formula.

$$Y = \exp (\alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \beta_6 X_6)$$

Y: Average Rice Price,  $X_1 - X_6$ : variable,  $\alpha$ : constant,  $\beta_1 - \beta_6$ : coefficient for each variable, exp: exponential function for the base of the natural logarithm

$X_1$  Rate of change in the average price across all brands between the month before the previous month and the previous month  
 $X_1 = (\text{average price across all brands in the previous month} - \text{average price across all brands in the month before the previous month}) / \text{average price across all brands in the month before the previous month}$

$X_2$  Price in relative transactions in the previous month (average price across all brands) (\*converted to logarithm)

$$X_2 = \ln (\text{average price across all brands in the previous month})$$

$X_3$  Current DI for supply-demand (\*converted to logarithm)

$$X_3 = \ln (\text{current DI for supply-demand})$$

$X_4$  Forecast DI for supply-demand (\*converted to logarithm)

$$X_4 = \ln (\text{forecast DI for supply-demand})$$

$X_5$  Current DI for rice prices (\*converted to logarithm)

$$X_5 = \ln (\text{current DI for rice prices})$$

$X_6$  Forecast DI for rice prices (\*converted to logarithm)

$$X_6 = \ln (\text{forecast DI for rice prices})$$

2. The announcement of the values of the constant  $\alpha$  and each variable  $\beta$  1 through  $\beta$  6 shall be determined in accordance with the Enforcement Rules on Index Futures Transactions.
3. The provisions of the preceding two paragraphs notwithstanding, when calculating the Average Rice Price, if the Exchange is unable to obtain either or both of the "Relative Transaction Prices and Quantities of Rice" published monthly by the Ministry of Agriculture, Forestry and Fisheries or the "results of the survey on the judgments of those involved in rice trading" published monthly by the Organization for Securing a Stable Supply of Rice Grains, the Average Rice Price shall be the weighted average value based on all transactions for the current contract month executed during the session on the final day of transactions of the current contract month (referring to the value calculated based on the weighted average of execution values and transaction volumes executed by Individual Auction); provided, however, that when no transactions are executed during the session on the final day of transactions of the current contract month, the Average Rice Price shall be the settlement value for the current contract month in the immediately preceding Clearing Period for the final day of transactions of the current contract month.
4. In the event that the Exchange recognizes that the value based on the provisions of the preceding item is inappropriate as the Average Rice Price, the Average Rice Price shall be the value calculated in accordance with the method set forth in each of the following items.
  - (1) In the event that there are one or more sell orders that specify a value lower than the settlement value for the immediately preceding Clearing Period for the final day of transactions of the current contract month at the end of the session on the final day of transactions of the current contract month, the value of the sell order that specifies the lowest value among those sell orders
  - (2) In the event that there are one or more buy orders that specify a value higher than the settlement value for the immediately preceding Clearing Period for the final day of transactions of the current contract month at the end of the session on the final day of transactions of the current contract month, the value of the buy order that specifies the highest value among those buy orders
5. The provisions of the preceding two paragraphs notwithstanding, if the Exchange deems it particularly necessary, it may separately determine the Average Rice Price.