

# CLEARING MARGIN RULES

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## **CLEARING MARGIN RULES**

**THIS ENGLISH TEXT OF RULES IS ORIGINALLY PREPARED FOR THE JAPANESE TEXT AND THE JAPANESE TEXT HEREOF SHALL GOVERN FOR ALL PURPOSES AND IN ALL RESPECTS. THIS ENGLISH TEXT INTENDED AS CONVENIENCE FOR USERS, WHOSE FIRST LANGUAGE IS NOT JAPANESE.**

**ACCORDINGLY, JAPAN COMMODITY CLEARING HOUSE CO.,LTD (“JCCH”) GIVES NO ASSURANCE THAT THIS ENGLISH IS COMPLETELY ACCURATE WITH RESPECT TO TERM OF USE, TO THE CURRENT STATUS OF THE LAWS OR TO THE CUSTOMARY PRACTICES OF JAPAN.**

**THEREFORE, ALL DISPUTES THAT MAY ARISE WITHIN OR WITHOUT LAW COURTS REGARD TO THE TERM OF USE, TO THE CURRENT STATUS OF THE LAW OR TO THE CUSTOMARY PRACTICES OF JAPAN , PROVISIONS AND STIPULATIONS OF THESE RULES SHALL BE DECIDED IN ACCORDANCE WITH THE JAPANESE TEXT ONLY.**

### **CHAPTER 1 GENERAL PROVISIONS**

#### **Article 1. Purpose**

Pursuant to the Article 60 of the Business Rules, these Rules prescribe the necessary matters in relation to Transactions in Commodity Markets concerning treatment of Clearing Margin, monies, securities and other consideration to be deposited for the settlement by delivery, and Unsettled Contracts in cases involving Suspension of Assuming Obligations as a Result of Default.

#### **Article 2 Definitions**

1. As used herein, the term “Futures Transactions” shall refer to Physical Delivery Futures Transactions, Cash Settlement Futures Transactions, Index Futures

Transactions or Options Transactions as prescribed in the Subparagraphs (1) through (4) of Article 2 of the Business Rules.

2. As used herein, the term “Designated Commodity Exchange” shall refer to Commodity Exchange conducting trading in Designated Commodity Market as prescribed in the Subparagraphs of Article 3 of the Business Rules.
3. As used herein, the term “Member” shall refer to a Member or trading participant of Designated Commodity Exchange.
4. As used herein, the term “Obligation Relating to Transactions in commodity markets” shall refer to obligation to pay monies and other consideration in relation to the settlement of Transactions in commodity markets as well as other obligations payable in relation to Transactions in commodity markets.
5. As used herein, the term “Intermediary Futures Commission Merchant” shall refer to a party engaged in acceptance of brokerage activity for consignment of Customer transactions in the Commodity Market.
6. As used herein, the term “Customer of Intermediary Futures Commission Merchant” shall refer to a party that requests brokerage activity for consignment of Customer transactions in the Commodity Market.
7. As used herein, the term “Clearing Intermediary” shall refer to a party that accepts consignment of brokerage activity for Commodity Clearing Transactions of Customer.
8. As used herein, the term “Clearing Customer of Intermediary” shall refer to a party (exclude than a Clearing Intermediary) that requests brokerage activity for Commodity Clearing Transactions of Customer.
9. As used herein, the term “Customer of Clearing Intermediary” shall refer to a party that requests brokerage activity for consignment of Commodity Clearing Transactions for Customer.
10. As used herein, the term “Clearing Participant” shall refer to a Clearing Participant

as prescribed under Article 5.1 of the Business Rules.

11. As used herein, the term “Non-clearing Participant” shall refer to a Non-clearing Participant as prescribed under Article 10 of the Business Rules.
12. As used herein, the term “Designated Clearing Participant” shall refer to a Designated Clearing Participant as prescribed under Article 10 of the Business Rules.
13. As used herein, the expression “Suspension of Assuming Obligations as a Result of Default” shall refer to Suspension of Assuming Obligations as prescribed under Articles 68 and 69 of the Business Rules.
14. As used herein, the expression “Suspension of Transactions as a Result of Default” shall refer to disposition imposed by Designated Commodity Exchange in the form of suspension of transactions in the Commodity Market or suspension of consignment of Commodity Clearing Transactions (only applicable to those in which Designated Commodity Exchange has recognized a Member to be defaulter) and disposition imposed by Designated Commodity Exchange in the form of suspension of consignment of Commodity Clearing Transactions or transactions in the Commodity Market in the case of Suspension of Assuming Obligations.
15. As used herein, the term “SPAN” shall refer to SPAN®, which is the Margining System developed by Chicago Mercantile Exchange.
16. As used herein, the term “Overseas Customer” shall refer to a Foreign Customer as prescribed under Article 13-2 of the Regulations for Business Rules.
17. As used herein, the term “Remote Broker Non-clearing Participant” shall refer to a Remote Broker Non-clearing Participant as prescribed under Article 13-2 of the Regulations for Business Rules.

## **CHAPTER 2. CLEARING MARGIN**

### **Section 1. General Rules**

#### **Article 3 Purpose of Clearing Margin**

1. Clearing Margin shall ensure performance of the following Obligation Relating to Transactions in commodity markets in the manner prescribed under these Rules:
  - (1) Obligation Relating to Transactions in commodity markets payable or deliverable by Clearing Participant to JCCH;
  - (2) Obligation Relating to Transactions in commodity markets payable or deliverable by Non-clearing Participant to Clearing Participant;
  - (3) Obligation Relating to Transactions in commodity markets of Customer owed to Members (if a Member is a Non-clearing Participant, including the Obligation Relating to Transactions in commodity markets of a Clearing Customer of Intermediary and an Overseas Customer owed to the Member);
  - (4) Obligation Relating to Transactions in commodity markets of Intermediary Futures Commission Merchant owed to Members (if a Member is a Non-clearing Participant, including the Obligation Relating to Transactions in commodity markets of a Clearing Intermediary owed to the Member); and
  - (5) Obligation Relating to Transactions in commodity markets of Customer of Intermediary Futures Commission Merchant owed to Intermediary Futures Commission Merchants (if an Intermediary Futures Commission Merchant broking party is a Non-clearing Participant, including the Obligation Relating to Transactions in commodity markets of a Customer of Clearing Intermediary owed to the Clearing Intermediary (Clearing Margin Maintenance Requirement and SPAN Margin Requirement)).
2. In the event of Default on the obligations prescribed in the preceding Paragraph, JCCH, Clearing Participant, Non-clearing Participant, Intermediary Futures Commission Merchant or Clearing Intermediary may execute its right with respect



to Clearing Margin and apply the same in satisfaction of the obligations concerned.

**Article 4 Clearing Margin Maintenance Amount and SPAN Margin Requirement**

1. As used herein, the term “Clearing Margin Maintenance Amount” shall refer to the Margin Amount required as collateral for holding open positions and executing delivery, and its calculation method for the Clearing Margin Maintenance Amount shall be as prescribed in Article 5 and 6.hereof.
2. As used herein, the term “SPAN Margin Requirement” shall refer to the Margin Amount calculated by SPAN, and the parameters required for the calculation thereof shall be prescribed by JCCH.

**Article 5. Clearing Margin Maintenance Amount of House Account**

The Clearing Margin Maintenance Amount of House Account shall be the amount adding the Delivery Clearing Margin of House Account to the Clearing Margin Requirement of House Account.. In such cases, the Definitions of these terms shall be as prescribed below.

(1) Clearing Margin Requirement of House Account

The Clearing Margin Requirement of House Account shall be the amount subtracting Net Option Value of House Account from SPAN Margin Requirement of House Account.

(i) SPAN Margin Requirement of House Account

Margin Amount for the positions relating to Futures Transactions calculated for House Account

(ii) Total Net Option Value of House Account

The amount subtracting the Total Short Option Value from the Total Long Option Value given in a) and b) below:

- a) Total Long Option Value of House Account shall be the aggregate of the amount obtained by multiplying the number of net long positions (referring to a difference between the numbers of long and short

positions when the number of long positions exceeds short positions, hereinafter the same shall apply) for each instrument of Options Transactions whose long position exceeds short position for House Account with respect to each Listed Product component of Designated Commodity Market, by the settlement price of the instrument on that day, and multiplying the trading unit of the instrument.

- b) Total Short Option Value of House Account shall be the aggregate of the amount obtained by multiplying the number of net short positions (referring to a difference between the numbers of long and short positions when the number of short positions exceeds long positions, hereinafter the same shall apply) for each instrument of Options Transactions on which the number of short positions exceeds long positions for House Account with respect to each Listed Product component of Designated Commodity Market, by the settlement price of the instrument on that day, and multiplying the trading unit of the instrument.

(2) Delivery Clearing Margin of House Account

The Delivery Clearing Margin of House Account shall refer to the Margin Amount required when the settlement by delivery is carried out in the Designated Commodity Market in which the Designated Commodity Exchange conducts trading.

**Article 6 Clearing Margin Maintenance Amount of Customer Account**

- 1. Clearing Margin Maintenance Amount of Customer Account shall be the amount obtained by adding the Delivery Clearing Margin of the relevant Customer to the Clearing Margin Requirement of the relevant Customer. In such cases, the Definitions of these terms shall be as prescribed below.

(1) Clearing Margin Requirement for Customers

Clearing Margin Requirement for Customers shall be the amount obtained by subtracting the Total Net Option Value of Customer Account from SPAN Margin Requirement for the Customer.

(i) SPAN Margin Requirement of Customer

The Margin Amount calculated by SPAN for the positions relating to Future Transactions consigned by the relevant Customer.

(ii) Total Net Option Value of Customer Account

The amount obtained by subtracting the Total Short Option Value of Customer Account from the Total Long Option Value of Customer Account prescribed either in a) or b).

a) Total of Long Option Value of Customer Account shall be the aggregate of the amount obtained by multiplying the number of net long positions for each instrument of Options Transactions on which the number of long positions exceeds short positions for the Customer Account with respect to each Listed Product component of Designated Commodity Market by the settlement price of the instrument on that day, and multiplying the trading unit of the instrument.

b) Total Short Option Value of Customer Account shall be the aggregate of the amount obtained by multiplying the number of net short positions for each instrument of Options Transactions on which the number of short positions exceeds long positions for the Customer Account with respect to each Listed Product component of Designated Commodity Market, by the settlement price of the instrument on that day, and multiplying the trading unit of the instrument.

(2) Clearing Margin of Customer Account

The Clearing Margin of Customer Account shall refer to the Margin Amount required when the settlement of Futures Transactions is made by delivery in the Designated Commodity Market in which the Designated Commodity Exchange conducts trading.

2. Notwithstanding the provisions of the preceding paragraph, Clearing Margin Maintenance Amount of an Overseas Customer for whom a Remote Broker Non-clearing Participant conducts brokerage activity for consignment of Commodity Clearing Transactions shall be the amount obtained by adding the Delivery Clearing Margin of Overseas Customer Account to the Clearing Margin Requirement of Overseas Customer Account. In such cases, the definitions of these

terms shall be as prescribed below.

(1) Clearing Margin Requirement of Overseas Customer Account

Clearing Margin Requirement of Overseas Customer Account shall be the amount obtained by subtracting the Total Net Option Value of Overseas Customer Account from SPAN Margin Requirement for the Overseas Customer.

(i) SPAN Margin Requirement of Overseas Customer

The Margin Amount calculated by SPAN for the positions relating to Future Transactions held by all Overseas Customers of a Remote Broker Non-clearing Participant as if those positions are all held by a single Customer.

(ii) Total Net Option Value of Overseas Customer Account

The amount obtained by subtracting the Total Short Option Value of Overseas Customer Account from the Total Long Option Value of Overseas Customer Account prescribed either in a) or b).

a) Total Long Option Value of Overseas Customer Account shall be the aggregate of the amount obtained by multiplying the number of net long positions for each instrument of Options Transactions on which the number of long positions exceeds short positions based on requests for brokerage activity for Commodity Clearing Transactions by all Overseas Customers of a Remote Broker Non-clearing Participant with respect to each Listed Product component of Designated Commodity Market by the settlement price of the instrument on that day, and multiplying the trading unit of the instrument.

b) Total Short Option Value of Overseas Customer Account shall be the aggregate of the amount obtained by multiplying the number of net short positions for each instrument of Options Transactions on which the number of short positions exceeds long positions based on requests for brokerage activity for Commodity Clearing Transactions by all Overseas Customers of a Remote Broker Non-clearing Participant with respect to each Listed Product component of Designated Commodity Market by the settlement price of the instrument on that day, and multiplying the trading unit of the instrument.

(2) Delivery Clearing Margin of Overseas Customer Account

The Delivery Clearing Margin of Overseas Customer Account shall refer to the Margin Amount required when the settlement by delivery is carried out based on requests for brokerage activity for Commodity Clearing Transactions by all Overseas Customers of a Remote Broker Non-clearing Participant in the Designated Commodity Market in which the Designated Commodity Exchange conducts trading.

3. As used herein, the term “Total of Clearing Margin Maintenance Amount for Customers” shall be the aggregate amount of the Clearing Margin Maintenance Requirement for each Customer and Overseas Customer calculated in the manner prescribed in the preceding two Paragraphs.

#### **Article 7    Deposit Requirement for Customers**

1. As used herein, the term “Deposit Requirement for Customers” shall refer to the amount obtained by adding or subtracting Mark-to-Market Profit or Loss Amount, Profit or Loss Resulting from Liquidation, and Unsettled option premium, to or from the Total of Monies and Applied Value for Substitute Securities as prescribed under Article 9 (referring to the Applied Value for Substitute Securities prescribed by JCCH, same to apply in the remainder hereof) that is placed as the Clearing Margin or deposited as the Customer Margin by each Customer, and subtracting the amount to be paid by the relevant Customer and deemed as necessary by Clearing Participant. However, if such amount is less than the Clearing Margin Maintenance Amount of the relevant Customer, the Clearing Margin Maintenance Amount shall be the Deposit Requirement for such Customer.
2. As used herein, the term “Deposit Requirement for Overseas Customers” shall refer to the total of the amount of money deposited as Customer Margin by Overseas Customers with a Remote Broker Non-clearing Participant and the Applied Value for Substitute Securities prescribed in Article 9. In this case, if such amount is less than the Clearing Margin Maintenance Amount of the relevant Overseas Customer, the latter shall be the Deposit Requirement for such Overseas Customer.
3. In cases where the deposit of all or part of Clearing Margin under classification given in Article 19.1(2) hereof is in the form of Substitute Securities as prescribed

under Article 9 hereof, if the amount to be negative that subtracting the amount to be paid by Customer and deemed as necessary by Clearing Participant, from the total amount of Mark-to-Market Profit or Loss Amount, Profit or Loss Resulting from Liquidation and Unsettled option premium, the amount to be negative that exceeds the amount deposited in the form of monies shall not be subtracted, notwithstanding the provisions of the paragraph 1.

- 4 As used herein, the term “Total Amount of Deposit Requirement of Customer Account” shall refer to the amount obtained by adding the Deposit Requirement for Overseas Customers calculated as prescribed under Article 7.2 hereof to the aggregate amount of the Deposit Requirement for each Customer calculated as prescribed under Article 7.1 hereof.

#### **Article 8 Total of Clearing Margin Maintenance Amount and Deposit Requirement**

1. The Total of Clearing Margin Maintenance Amount of Customer Account under Article 6.3 hereof that is added to the Clearing Margin Maintenance Amount of House Account under Article 5 hereof shall be treated as the Clearing Margin Maintenance Requirement under Article 68.1(4) of the Business Rules.
- 2 The Clearing Margin Maintenance Amount of House Account as prescribed under Article 5 shall be the Deposit Requirement of House Account, and the Total Amount of Deposit Requirement of Customer Account under Article 7.4 that is added to such Deposit Requirement of House Account shall be treated as the Total Amount of Deposit Requirement under Article 69.1 of Business Rules.

#### **Article 9 Treatment of Substitute Securities and Foreign Currency**

1. The Clearing Margin, Customer Margin, Intermediation Margin and Clearing Intermediary Margin may be deposited in the manner prescribed in these Rules in the form of Securities ,Warehouse Receipts (only applicable to Warehouse Receipts certifying the storage of Listed Commodities deliverable to settle transactions in the manner prescribed by the Designated Commodity Exchange) and foreign currency

as prescribed under Article 61.3 of the Business Rules (hereinafter referred to collectively as “Substitute Securities”).

2. Necessary matters concerning foreign currency shall be as prescribed separately by JCCH.

## **Section 2. Clearing Margin for Clearing Participant**

### **Article 10 Deposit of Clearing Margin of House Account**

1. In cases where buying or selling of Transactions in commodity markets is executed for House Account of a Clearing Participant (for Option Transactions, limited to selling transactions), or in cases where settlement is made by delivery, the Clearing Participant shall deposit with JCCH in the prescribed manner amount of Clearing Margin that is equal to or greater than the Clearing Margin Maintenance Amount of House Account as prescribed under Article 5 hereof. In such cases, the Clearing Margin may be deposited in the form of Substitute Securities.
2. Notwithstanding the provision of the preceding Paragraph, with approval from JCCH pursuant to the provisions of Article 103.8 of the CEA applied mutatis mutandis to Article 179.8 of the CEA, the Clearing Participant shall execute an agreement (hereinafter referred to as” Agreement of Letter of Guarantee Concerning Direct Deposits”) with a bank or other financial institution (referring to such as prescribed under Article 44.1 of the Commodity Exchange Law Enforcement Regulations (Ministerial Ordinance No. 3 of 2005 issued by the Ministry of Agriculture, Forestry and Fisheries and Ministry of Economy, Trade and Industry), the same to apply in the remainder hereof). Upon notifying JCCH of such fact, under the provisions of Article 37-2 through Article 37-6 hereof, the deposit may be deferred to the limit of amount stipulated in such an agreement.

### **Article 10-2 Deposit of Clearing Margin of Customer Account and Commodity Clearing Transactions**

In cases where selling or buying of Transactions in commodity markets is executed based on the consignment by a Customer, the consignment for brokerage activity of

consignment by Customer of Intermediary Futures Commission Merchant, the consignment for brokerage activity consigned by Customer of Non-clearing Participant, the request for brokerage activity of consignment by Overseas Customer, or the consignment of brokerage activity for consignment by Customer of Clearing Intermediary, and in cases where settlement is made by delivery, Clearing Participant shall deposit with JCCH in the prescribed manner the amount that is equal to or greater than the Clearing Margin Maintenance Amount of the Customer as prescribed under Article 6.3 hereof.

### **Article 11 Deposit of Clearing Margin of Customer Account**

1. In cases where a Customer has placed Clearing Margin, a Clearing Participant acting as the agent of the Customer shall deposit with JCCH in the prescribed manner an amount that is equal to or greater than the Deposit Requirement for the Customer, calculated in the manner prescribed in Article 7.1 hereof.
2. Notwithstanding the preceding Paragraph, within four business days from the day on which a Customer places Clearing Margin, to a Clearing Participant, the Clearing Participant may deposit with JCCH in the prescribed manner such Clearing Margin as classified in Article 19.1(4) hereof monies equal to or greater in value than the Total Amount of Monies and Market Value for Substitute Securities placed by the Customer as the Clearing Margin (referring to the Market Value prescribed by JCCH, same to apply in the remainder hereof). In such cases, the Clearing Margin may be deposited in the form of Substitute Securities.
3. When a Customer has made deposit of Customer Margin, a Clearing Participant shall deposit with JCCH the Deposit Requirement calculated in the manner prescribed in Article 7.1 hereof in the form of monies and Substitute Securities as the Clearing Margin. In such cases, the Clearing Participant shall deposit an amount that is equal to or greater in value than the monies and Market Value for Substitute Securities deposited by the Customer as the Customer Margin.
4. Notwithstanding the provision of the preceding Paragraph, with approval of the Competent Minister pursuant to the provision of Article 103.7 of the CEA applied *mutatis mutandis* to Article 179.7 of the CEA, a Clearing Participant shall execute



an agreement (hereinafter referred to as "Agreement of Letter of Guarantee Concerning Replacement Deposits") with a bank or other financial institution. Upon notifying JCCH of such fact, JCCH may, under the provisions of Article 35 through Article 37 hereof, defer the deposit of Clearing Margin to the limit of amount stipulated in such agreement.

5. In cases falling under Paragraphs 1 through 3 above, if the Total of Monies and Applied Value for Substitute Securities placed or deposited by its Customer as the Clearing Margin or the Customer Margin is less than the Clearing Margin Maintenance Amount of the Customer as prescribed under Article 6.1 hereof, a Clearing Participant shall deposit with JCCH as the Clearing Margin in the prescribed manner monies in an amount that is equal to or greater in value than the amount obtained by subtracting Clearing Margin or Customer Margin placed by the Customer from the Clearing Margin Maintenance Amount. In such cases, the Clearing Margin may be deposited in the form of Substitute Securities.
6. Notwithstanding Paragraph 1 above, in cases where a Customer has placed Clearing Margin in the form of Substitute Securities and the Substitute Securities are appropriated to settle outstanding obligations of the Customer pursuant to the Brokerage Contract Rules prescribed by Designated Commodity Exchange, until the Substitute Securities are converted to cash, the Clearing Participant shall deposit the Clearing Margin in accordance with the provisions of Paragraph 2 above. In such cases, the provisions of Article 7.3 hereof shall not apply with respect to the Substitute Securities.
7. Notwithstanding Paragraph 1 above, with approval of a Clearing Participant and JCCH, a Customer shall execute an Agreement of Letter of Guarantee Concerning Direct Deposits with a bank or other financial institution. Upon notifying JCCH of such fact, JCCH may, under the provisions of Article 37.2 through Article 37.6 defer a deposit of Clearing Margin to the limit of amount stipulated in such agreement.

## **Article 12 Deposit of Clearing Margin for Intermediary Futures Commission Merchant**

1. In cases where an Intermediary Futures Commission Merchant has placed Clearing Margin or in cases where an Intermediary Futures Commission Merchant has placed Clearing Margin as an agent for a Customer of Intermediary Futures Commission Merchant to a Clearing Participant, the Clearing Participant shall deposit the full amount of any Clearing Margin with JCCH as agent for the Intermediary Futures Commission Merchant or the Customer of Intermediary Futures Commission Merchant.
2. In cases where an Intermediary Futures Commission Merchant has deposited Customer Margin or in cases where an Intermediary Futures Commission Merchant has deposited Customer Margin in the capacity of an agent for a Customer of Intermediary Futures Commission Merchant, the Clearing Participant shall deposit with JCCH as Clearing Margin an amount that is equal to or greater in value than the Total of Monies and Market Value for Substitute Securities Deposited by the Intermediary Futures Commission Merchant as Customer Margin. In such cases, the Clearing Margin may be deposited in the form of Substitute Securities.
3. The provisions of Article 11.2 and Article 11.6 hereof shall apply *mutatis mutandis* to the deposits of Clearing Margin under Paragraph 1 above, and the provisions of Article 11.4 hereof shall apply *mutatis mutandis* to the deposits of Clearing Margin under the preceding Paragraph.
4. In cases falling under Paragraphs 1 and 2 above, if the Total of Monies and Applied Value for Substitute Securities placed or deposited by its Intermediary Futures Commission Merchant as Clearing Margin or Customer Margin is less than the amount reported for the Intermediary Futures Commission Merchant as the amount of their Clearing Margin, a Clearing Participant shall deposit with JCCH as Clearing Margin in the prescribed manner monies in an amount that is equal to or greater in value than the subtraction Clearing Margin or the Customer Margin placed by the Intermediary Futures Commission Merchant from the amount stated in their reports. In such cases, the Clearing Margin may be deposited in the form of Substitute Securities.
5. Notwithstanding Paragraph 1 above, in cases where a Customer of Intermediary Futures Commission Merchant designates an Intermediary Futures Commission Merchant as an agent, the Customer of the Intermediary Futures Commission

Merchant shall, with approval of a Clearing Participant, the Intermediary Futures Commission Merchant and JCCH, execute an Agreement of Letter of Guarantee Concerning Replacement Deposits with a bank or other financial institution. Upon notifying JCCH of such fact, JCCH may, under the provisions of Article 37-2 through Article 37-6 hereof, defer a deposit of Clearing Margin to the limit of amount stipulated in such Agreement..

### **Article 13 Deposit of Clearing Margin for Commodity Clearing Transactions**

1. A Clearing Participant shall deposit with JCCH the full amount which has been placed as Clearing Margin by a Non-clearing Participant as agent for the Non-clearing Participant, Customer s of Non-clearing Participant of a Non-clearing Participant, Clearing Intermediary or Customer of Clearing Intermediary, in the manner prescribed by JCCH.
2. The provisions of Article 11.4 hereof shall apply *mutatis mutandis* to the deposits of Clearing Margin under the preceding Paragraph.
3. In cases falling under Paragraph 1 above, if the Total of Monies and Applied Value for Substitute Securities placed by its Non-clearing Participant with a Clearing Participant as Clearing Margin is less than the amount reported for the Non-clearing Participant as the amount of their Clearing Margin as prescribed by Designated Commodity Exchange, a Clearing Participant shall deposit with JCCH as Clearing Margin in the prescribed manner monies in an amount that is equal to or greater in value than the subtraction Clearing Margin placed by the Non-clearing Participant from the amount stated in their reports. In such cases, the Clearing Margin may be deposited in the form of Substitute Securities.
4. Notwithstanding the provisions of Paragraph 1 and Paragraph 3 above, in cases where a Non-clearing Participant designates its Designated Clearing Participant as an agent, , the Non-clearing Participant shall exercise an Agreement of Letter of Guarantee Concerning Direct Deposits with approval of the Designated Clearing Participant, in cases where a Clearing Customer of Intermediary designates a Non-clearing Participant and its Designated Clearing Participant as an agent, the Clearing Customer of Intermediary shall exercise an Agreement of Letter of

Guarantee Concerning Direct Deposits with approval of Non-clearing participant and its Designated Clearing Participant, in case where a Customer of Clearing Intermediary designates a Clearing Intermediary and a Non-clearing Participant and its Designated Clearing Participant as an agent, the Customer of Clearing Intermediary shall exercise an Agreement of Letter of Guarantee Concerning Direct Deposits with approval of the Clearing Participant, the Non-clearing Participant and the Designated Clearing Participant. Upon notifying JCCH of such fact, under the provisions of Article 37-2 through Article 37-6 hereof, JCCH may grant a deferral of deposit to the limit of amount stipulated in such an agreement.

#### **Article 14 Deadline for Deposit of Clearing Margin**

Deposits of Clearing Margin under the provisions of Article 10 through Article 13 hereof shall be made by noon of the business day following the day on which a buy or sell Transactions in commodity markets is executed (excluding Option Transactions), the trading day under trading session by noon of the business day following the day which a sell Transactions in commodity markets is executed (limited to Option Transactions), or the trading day on which a Clearing Participant has placed Clearing Margin or deposit of Customer Margin. In such cases, when deemed necessary and by resolution of the meeting of the Board of Directors, JCCH may change the deadline for such deposits.

#### **Article 15 Maintenance of Clearing Margin of House Account**

In cases where the Total of Monies, Applied Value for Substitute Securities that are deposited by a Clearing Participant with JCCH as Clearing Margin of House Account and the amount for which a deferral of deposit is granted under Article 10.2 is less than the Clearing Margin Maintenance Amount of House Account, the Clearing Participant shall deposit with JCCH as Clearing Margin the amount sufficient to cover any such shortfall in the prescribed manner. In such cases, the Clearing Margin may be deposited in the form of Substitute Securities.

#### **Article 16 Maintenance of Clearing Margin of Customer and Intermediary**

## **Futures Commission Merchant Account**

1. In cases where the Total of Monies and Market Value for Substitute Securities that are deposited by a Customer with JCCH as the Clearing Margin for the Customer as prescribed under Article 11.1, Article 11.2, Article 11.3, Article 11.4 and Article 11.7 hereof is less than the Total of Monies and Market Value for Substitute Securities required to be placed as Clearing Margin or deposited as Customer Margin by the Customer, a Clearing Participant shall deposit with JCCH as Clearing Margin of Customer Account the amount sufficient to cover any such shortfall as prescribed in follow Article 11.1, Article 11.2, Article 11.3, Article 11.4 and Article 11.7 hereof.
2. In cases where the Total of Monies and Applied Value for Substitute Securities that are deposited or placed by its Customers as a Clearing Margin or Customer Margin is less than the Clearing Margin Maintenance Amount of the Customer account as prescribed under Article 6.1 hereof, the Clearing Participant shall deposit with JCCH as Clearing Margin of Customer Account the amount sufficient to cover any such shortfall as prescribed in follow Article 11.5 hereof.
3. In cases where the amount of Clearing Margin required to be placed by an Intermediary Futures Commission Merchant with a Clearing Participant is less than the required amount, when the Intermediary Futures Commission Merchant places or deposits the amount of Clearing Margin or Customer Margin sufficient to cover any such shortfall, the Clearing Participant shall deposit the full amount received thereby with JCCH as prescribed in follow Article 12 hereof.
4. In cases where the Total of Monies and Applied Value for Substitute Securities placed or deposited by its Intermediary Futures Commission Merchant as Clearing Margin or Customer Margin is less than the amount reported to a Clearing Participant by the Intermediary Futures Commission Merchant as the amount of their Clearing Margin, the Clearing Participant shall deposit with JCCH as the Clearing Margin of Intermediary Futures Commission Merchant Account the amount of monies sufficient to cover any such shortfall as prescribed in follow Article 12 hereof.

## **Article 17 Maintenance of Clearing Margin for Commodity Clearing Transactions**

1. In cases where the amount of Clearing Margin required to be placed by a Non-clearing Participant with a Clearing Participant is less than the required amount, when the Non-clearing Participant places Clearing Margin sufficient to cover any such shortfall, the Clearing Participant shall deposit additional funds equal to the full amount of such Clearing Margin with JCCH as prescribed in follow Article 13.3 hereof.
2. In cases where the Total of Monies and Applied Value for Substitute Securities placed by its Non-clearing Participant as Clearing Margin is less than the amount reported by the Non-clearing Participant as the amount of their Clearing Margin as prescribed by Designated Commodity Exchange, the Clearing Participant shall deposit with JCCH as the Clearing Margin for the Non-clearing Participant the amount sufficient to cover any such shortfall as prescribed in follow Article 13.3 hereof.

## **Article 18 Deadline for Deposit of Clearing Margin**

Deposits of Clearing Margin under the provisions of Article 15 through Article 17 hereof shall be made no later than noon of the business day following the day on which a shortfall has occurred,

## **Article 19 Classification and Management of Clearing Margin**

1. Deposits of Clearing Margin under the provisions of Article 10 through Article 13 and Article 15 through Article 17 hereof shall be classified as follows:
  - (1) The Clearing Participant deposit Clearing Margin with JCCH for Transactions in commodity markets of House Accounts (hereinafter “Clearing Margin of House Account for Clearing Participant”);
  - (2) The Clearing Participant deposit Clearing Margin with JCCH for Transactions in commodity markets consigned by Customer and Customer of Intermediary

- Futures Commission Merchant (hereinafter “Clearing Margin of Customer Account for Clearing Participant”) consisting placed by Customer and Customer of Intermediary Futures Commission Merchant with Clearing Participant as Clearing Margin (but excluding the Clearing Margin prescribed in the following Subparagraphs, hereinafter “Clearing Margin of Customer Account for Clearing Participant (Direct Deposit Account)”);
- (3) The Clearing Margin of Customer Account for Clearing Participant consisting placed by Intermediary Futures Commission Merchant with Clearing Participant as Clearing Margin corresponding to Intermediation Margin in cases where Customer of Intermediary Futures Commission Merchant has deposited Intermediation Margin with Intermediary Futures Commission Merchant (hereinafter “Clearing Margin of Customer Account for Clearing Participant (Intermediary Futures Commission Merchant Replacement Deposit Account)”);
  - (4) The Clearing Margin of Customer Account for Clearing Participant consisting deposited by Clearing Participant with JCCH as Clearing Margin corresponding to Customer Margin in cases where Customer, Customer of Intermediary Futures Commission Merchant and Intermediary Futures Commission Merchant have deposited Customer Margin with Clearing Participant (hereinafter “Clearing Margin of Customer Account for Clearing Participant (Replacement Deposit Account)”);
  - (5) Designated Clearing Participant deposit Clearing Margin with JCCH for Transactions in commodity markets of House Account of Non-clearing Participant (hereinafter “Clearing Margin of House Account for Non-clearing Participant”);
  - (6) Designated Clearing Participant deposit Clearing Margin with JCCH for Transactions in commodity markets consigned by Customer of Non-clearing Participant and Customer of Clearing Intermediary and Futures Transactions pertaining to the request for brokerage activity of consignment by Overseas Customer (hereinafter “Clearing Margin of Customer Account for Non-clearing Participant”) consisting placed by Customer of Non-clearing Participant and Customer of Clearing Intermediary with Non-clearing Participant as Clearing Margin (but excluding the Clearing Margin prescribed in the following Subparagraphs, hereinafter “Clearing Margin of Customer Account for Non-clearing Participant (Direct Deposit Account)”);
  - (7) The Clearing Margin of Customer Account for Non-clearing Participant

consisting placed by Clearing Intermediary with Non-clearing Participant as Clearing Margin corresponding to Clearing Intermediation Margin in cases where Customer of Clearing Intermediary have deposited Clearing Intermediation Margin with Clearing Intermediary (hereinafter “Clearing Margin of Customer Account for Non-clearing Participant (Clearing Intermediary Replacement Deposit Account)”); and

- (8) The Clearing Margin of Customer Account for Non-clearing Participant consisting placed by Non-clearing Participant with Designated Clearing Participant as Clearing Margin corresponding to Customer Margin in cases where Clearing Customer of Intermediary, Customer of Clearing Intermediary and Clearing Intermediary have deposited Customer Margin with Non-clearing Participant (including cases where Remote Broker Non-clearing Participant has deposited Clearing Margin with Designated Clearing Participant) (hereinafter “Clearing Margin of Customer Account for Non-clearing Participant (Replacement Deposit Account)”).

2. JCCH shall manage Clearing Margin deposited under the provisions of Article 10 through Article 13 and Article 15 through Article 17 hereof by classifying such Clearing Margin as prescribed in the Subparagraphs of the preceding Paragraph.

## **Article 20 Claim for Refund of Clearing Margin**

1. The following parties shall have Claim for Refund in the corresponding amount of Clearing Margin of Customer Account for Clearing Participant deposited with JCCH in relation to the Customers of Clearing Participant, which amounts shall be limited to that part of the Total of Monies and Market Value for Substitute Securities deposited by the Customers with JCCH as Clearing Margin of Customer Account for Clearing Participant (Direct Deposit Account) and Clearing Margin of Customer Account for Clearing Participant (Replacement Deposit Account) consisting of the Total of Monies and Market Value for Substitute Securities deposited by Customers as Customer Margin (including Clearing Margin deposited by Clearing Participant with JCCH until such time that the Clearing Margin placed by the Customers is deposited with JCCH as prescribed under Article 11.2 and in cases where the Customers has placed Clearing Margin in the form of Substitute Securities, until the Substitute Securities are converted to cash, the Clearing Participant shall deposit the



Clearing Margin with JCCH as prescribed under Article 11.6 hereof, and referred to in the remainder of this Paragraph as “The Total Current Deposit Amount of Clearing Margin of Customer Account for Clearing Participant”).

(1) The Customers:

The Total Current Deposit Amount of Clearing Margin of Customer Account for Clearing Participant reduced by the amount of portion of Obligation Relating to Transactions in commodity markets for the Customer that have not become due and owing to Clearing Participant (where a Customer may exercise Claim for Refund directly against JCCH pursuant to the provisions of Article 30.2 and where the relevant Customer has deposited with JCCH, as the portion of direct deposit, Clearing Margin in the form of Substitute Securities and the amount is equivalent to the unfulfilled portion, the amount shall be reduced by the amount equivalent to the relevant unfulfilled portion and the amount necessary for the relevant redemption from the amount redeemed from the relevant Substitute Securities using a methodology deemed appropriate by JCCH. In such case, executed consignment agreement is deemed to exist between the Customer and JCCH.)

(2) Clearing Participant:

The Total Current Deposit Amount of Clearing Margin of Customer Account for Clearing Participant reduced by the amount of Subparagraph (1) above and portion of Obligation Relating to Transactions in commodity markets for the Customer consigned to Clearing Participant that have not become due and for which the Clearing Participant are obligated to JCCH to make payment or delivery.

2. The following parties shall have Claim for Refund in the corresponding amounts of Clearing Margin of Customer Account for Clearing Participant deposited with JCCH in relation to the Customer of Intermediary Futures Commission Merchant, which amounts shall be limited to that part of the Total of Monies and Market Value for Substitute Securities Deposited by the Customer of Intermediary Futures Commission Merchant as Clearing Margin of Customer Account for Clearing Participant (Direct Deposit Account) and Clearing Margin of Customer Account of Clearing Participant (Intermediary Futures Commission Merchant Replacement Deposit Account) consisting of the Total of Monies and Market Value for Substitute

Securities deposited by Customer of Intermediary Futures Commission Merchant as Intermediation Margin; and that part of the Total of Monies and Market Value for Substitute Securities deposited by Customer of Intermediary Futures Commission Merchant with JCCH as Clearing Margin of Customer Account for Clearing Participant (Replacement Deposit Account) consisting of the Total of Monies and Market Value for Substitute Securities deposited by Customer of Intermediary Futures Commission Merchant as Intermediation Margin or Customer Margin (including Clearing Margin deposited by Clearing Participant with JCCH until such time that the Clearing Margin placed by the Customer of Intermediary Futures Commission Merchant is deposited with JCCH as prescribed under the provisions of Article 11.2 hereof applied *mutatis mutandis* to Article 12.3 and in cases where the Customers of Intermediary Futures Commission Merchant has placed Clearing Margin in the form of Substitute Securities, until the Substitute Securities are converted to cash, the Clearing Participant shall deposit the Clearing Margin with JCCH as prescribed under the provisions of Article 11.6 hereof applied *mutatis mutandis* to Article 12.3 hereof, and referred to in the remainder of this Paragraph as “The Total Current Deposit Amount of Clearing Margin of Intermediary Futures Commission Merchant Customer Account for Clearing Participant”).

(1) The Customer of Intermediary Futures Commission Merchant:

The Total Current Deposit Amount of Clearing Margin of Intermediary Futures Commission Merchant Customer Account for Clearing Participant reduced by the amount of portion of Obligation Relating to Transactions in commodity markets for the Customer of Intermediary Futures Commission Merchant that have not become due and owing to Intermediary Futures Commission Merchant (where a Customer of Intermediary Futures Commission Merchant may exercise Claim for Refund directly against JCCH pursuant to the provisions of Article 31.1 and where the relevant Customer of Intermediary Futures Commission Merchant has deposited with JCCH, as the portion of a direct deposit, a Clearing Margin in the form of Substitute Securities and the amount is equivalent to the unfulfilled portion, the amount shall be reduced by the amount equivalent to the relevant unfulfilled portion and the amount necessary for the relevant redemption from the amount redeemed from the relevant Substitute Securities using a methodology deemed appropriate by JCCH. In such case, executed consignment agreement is deemed to exist between the Customer of Intermediary Futures Commission

Merchant and JCCH.).

(2) The Intermediary Futures Commission Merchant:

The Total Current Deposit Amount of Clearing Margin of Intermediary Futures Commission Merchant Customer Account for Clearing Participant reduced by the amount of Subparagraph (1) above and portion of Obligation Relating to Transactions in commodity markets for the Customer of Intermediary Futures Commission Merchant consigned to Intermediary Futures Commission Merchant that have not become due and for which the Intermediary Futures Commission Merchant are obligated to Clearing Participant.

(3) Clearing Participant:

The Total Current Deposit Amount of Clearing Margin of Intermediary Futures Commission Merchant Customer Account for Clearing Participant reduced by the amounts of Subparagraphs (1) and (2) above and portion of Obligation Relating to Transactions in commodity markets for the Customer of Intermediary Futures Commission Merchants consigned to Intermediary Futures Commission Merchant that have not become due and for which the Clearing Participant are obligated to JCCH to make payment or delivery.

3. The following parties shall have Claim for Refund in the corresponding amounts of Clearing Margin of Customer Account for Clearing Participant deposited with JCCH in relation to Intermediary Futures Commission Merchants, which amounts shall be limited to that part of the Total of Monies and Market Value for Substitute Securities deposited with JCCH as Clearing Margin of Customer Account for Clearing Participant (Intermediary Futures Commission Merchant Replacement Deposit Account) consisting of the amounts deposited by Customer of Intermediary Futures Commission Merchant in excess of the Total of Monies and Market Value for Substitute Securities Deposited as Intermediation Margin; and that part of the Total of Monies and Market Value for Substitute Securities deposited with JCCH as Clearing Margin of Customer Account for Clearing Participant (Replacement Deposit Account) consisting of the amounts deposited by Customer of Intermediary Futures Commission Merchants with Clearing Participant as the Customer Margin in excess of the Total of Monies and Market Value for Substitute Securities deposited as Intermediation Margin (referred to in the remainder of this Paragraph as “The Total Current Deposit Amount of Clearing Margin of Intermediary Futures Commission Merchant Account for Clearing Participant”).

- (1) The Intermediary Futures Commission Merchant:  
The Total Current Deposit Amount of Clearing Margin of Intermediary Futures Commission Merchant Account for Clearing Participant reduced by the amount of portion of Obligation Relating to Transactions in commodity markets for the Intermediary Futures Commission Merchant that have not become due and owing to Clearing Participant (excluding the amounts deducted under Paragraph 2(2) above).
  - (2) Clearing Participant:  
The Total Current Deposit Amount of Clearing Margin of Intermediary Futures Commission Merchant Account for Clearing Participant reduced by the amounts of Subparagraph (1) above and portion of Obligation Relating to Transactions in commodity markets for the Intermediary Futures Commission Merchant consigned to Clearing Participant that have not become due and for which the Clearing Participant are obligated to JCCH to make payment or delivery (excluding the amounts deducted under Paragraph 2(3) above).
4. The following parties shall have Claim for Refund in the corresponding amounts of Clearing Margin of Customer Account for Non-clearing Participant deposited with JCCH in relation to the Customer of Non-clearing Participant and Overseas Customer, which amounts shall be limited to that part of the Total of Monies and Market Value for Substitute Securities deposited by the Customer of Non-clearing Participant with JCCH as the Customer Account of Clearing Margin (Direct Deposit Account); and that part of monies and Market Value for Substitute Securities deposited with JCCH as the Customer Account of Clearing Margin for Non-clearing Participant (Replacement Deposit Account) consisting of the Total of Monies and Market Value for Substitute Securities deposited by Customer of Non-clearing Participant as the Customer Margin (including Non-clearing Participant has placed Clearing Margin to Clearing Participant and the Clearing Margin deposited by Clearing Participant with JCCH until such time that the Clearing Margin placed by the Customer of Non-clearing Participant is deposited with JCCH as prescribed by Designated Commodity Exchange hereof, and in cases where Customer of Non-clearing Participant has placed Clearing Margin in the form of Substitute Securities, until the Substitute Securities are converted to cash, Non-clearing Participant has placed Clearing Margin to Clearing Participant and the Clearing Margin deposited by Clearing Participant with JCCH as prescribed by Designated

Commodity Exchange hereof) and the total of the amount of money deposited by Overseas Customer with a Remote Broker Non-clearing Participant and Market Value for Substitute Securities (referred to in the remainder of this Paragraph as “The Total Current Deposit Amount of Clearing Margin of Customer Account for Non-clearing Participant”).

(1) The Customers of Non-clearing Participant:

The Total Current Deposit Amount of Clearing Margin of Customer Account for Non-clearing Participant reduced by the amount of portion of Obligation Relating to Transactions in commodity markets for the Customers of Non-clearing Participant that have not become due and owing to Non-clearing Participant (where a Customer of Non-clearing Participant may exercise Claim for Refund directly against JCCH pursuant to the provisions of Article 30.2, which have been applied on mutatis mutandis basis pursuant to the provisions of Article 33, and where the relevant Customer of Non-clearing Participant has deposited with JCCH, as the portion of direct deposit, Clearing Margin in the form of Substitute Securities and the amount is equivalent to the unfulfilled portion, the amount shall be reduced by the amount equivalent to the relevant unfulfilled portion and the amount necessary for the relevant redemption from the amount redeemed from the relevant Substitute Securities using a methodology deemed appropriate by JCCH. In such case, an executed consignment agreement is deemed to exist between the Customer of Non-clearing Participant and JCCH.).

(2) The Overseas Customers:

The Total Current Deposit Amount of Clearing Margin of Customer Account for Non-clearing Participant reduced by the portion of Obligation Relating to Transactions in commodity markets that have not become due and for which the Overseas Customers are obligated to Remote Broker Non-clearing Participant.

(3) Non-clearing Participant:

The Total Current Deposit Amount of Clearing Margin of Customer Account for Non-clearing Participant reduced by the amounts of Subparagraphs (1) and (2) above and portion of Obligation Relating to Transactions in commodity markets for Customer of Non-clearing Participant consigned to Non-clearing Participant that have not become due and for which the Non-clearing Participant are obligated to Designated Clearing Participant to make payment or delivery.

- (4) Designated Clearing Participant:  
The Total Current Deposit Amount of Clearing Margin of Customer Account for Non-clearing Participant reduced by the amounts of Subparagraphs (1) through (3) above and portion of Obligation Relating to Transactions in commodity markets for Customer of Non-clearing Participant consigned to Non-clearing Participant that have not become due and for which Designated Clearing Participant are obligated to JCCH to make payment or delivery.
5. The following parties shall have Claim for Refund in the corresponding amounts of Clearing Margin of Customer Account for Non-clearing Participant deposited with JCCH in relation to the Customer of Clearing Intermediary , which amounts shall be limited to that part of the Total of Monies and Market Value for Substitute Securities deposited by Customer of Clearing Intermediary with JCCH as Clearing Margin of Customer Account for Non-clearing Participant (Direct Deposit Account) and Clearing Margin of Customer Account for Non-clearing Participant (Clearing Intermediary Replacement Deposit Account) consisting of the Total of Monies and Market Value for Substitute Securities deposited by the Customer of Clearing Intermediary as Clearing Intermediation Margin; and that part of the Total of Monies and Market Value for Substitute Securities deposited with JCCH as Clearing Margin of Customer Account for Non-clearing Participant (Replacement Deposit Account) consisting of the Total of Monies and Market Value for Substitute Securities deposited by the Customer of Clearing Intermediary as the Clearing Intermediation Margin or the Customer Margin (including Non-clearing Participant has placed Clearing Margin to Clearing Participant and the Clearing Margin deposited by Clearing Participant with JCCH until such time that the Clearing Margin placed by the Customer of Clearing Intermediary is deposited with JCCH as prescribed by Designated Commodity Exchange hereof, and in cases where Customer of Clearing Intermediary has placed Clearing Margin in the form of Substitute Securities, until the Substitute Securities are converted to cash, Non-clearing Participant has placed Clearing Margin to Clearing Participant and the Clearing Margin deposited by Clearing Participant with JCCH as prescribed by Designated Commodity Exchange hereof, and referred to in the remainder of this Paragraph as the “The Total Current Deposit Amount of Clearing Margin of Intermediary Futures Commission Merchant Customer Account for Non-clearing Participant”).

- (1) Customer of Clearing Intermediary  
The Total Current Deposit Amount of Clearing Margin of Intermediary Futures Commission Merchant Customer Account for Non-clearing Participant reduced by the amount of portion of Obligation Relating to Transactions in commodity markets for the Customer of Clearing Intermediary that have not become due and owing to Clearing Intermediary (where a Customer of Clearing Intermediary may exercise Claim for Refund directly against JCCH pursuant to the provisions of Article 30.2, which have been applied on mutatis mutandis basis pursuant to the provisions of Article 33, and where the relevant Customer of Clearing Intermediary has deposited with JCCH, as the portion of direct deposit, Clearing Margin in the form of Substitute Securities and the amount is equivalent to the unfulfilled portion, the amount shall be reduced by the amount equivalent to the relevant unfulfilled portion and the amount necessary for the relevant redemption from the amount redeemed from the relevant Substitute Securities using a methodology deemed appropriate by JCCH. In such case, an execute consignment agreement is deemed to exist between the Customer of Clearing Intermediary and JCCH.).
- (2) The Clearing Intermediary:  
The Total Current Deposit Amount of Clearing Margin of Intermediary Futures Commission Merchant Customer Account of Clearing for Non-clearing Participant reduced by the amount of Subparagraph (1) above and portion of Obligation Relating to Transactions in commodity markets for the Customer of Clearing Intermediary consigned to Clearing Intermediary that have not become due and for which the Clearing Intermediary are obligated to Non-clearing Participant.
- (3) Non-clearing Participant:  
The Total Current Deposit Amount of Clearing Margin of Intermediary Futures Commission Merchant Customer Account for Non-clearing Participant reduced by the amounts of Subparagraphs (1) and (2) above and portion of Obligation Relating to Transactions in commodity markets for the Customer of Clearing Intermediary consigned to Clearing Intermediary that have not become due and for which the Non-clearing Participant are obligated to Designated Clearing Participant to make payment or delivery.
- (4) Designated Clearing Participant:  
The Total Current Deposit Amount of Clearing Margin of Intermediary

Futures Commission Merchant Customer Account for Non-clearing Participant reduced by the amounts of Subparagraphs (1) through (3) above and portion of Obligation Relating to Transactions in commodity markets for the Customer of Clearing Intermediary consigned to Clearing Intermediary that have not become due and for which the Designated Clearing Participant are obligated to JCCH to make payment or delivery.

6. The following parties shall have Claim for Refund in the corresponding amounts of Clearing Margin of Customer Account for Non-clearing Participant deposited with JCCH in relation to Clearing Intermediary, which amounts shall be limited to that part of the Total of Monies and Market Value for Substitute Securities deposited with JCCH as Clearing Margin of Customer Account for Non-clearing Participant (Clearing Intermediary Replacement Deposit Account) consisting of the amounts deposited by Customer of Clearing Intermediary in excess of the Total of Monies and Market Value for Substitute Securities deposited as Clearing Intermediation Margin; and that part of the Total of Monies and Market Value for Substitute Securities deposited with JCCH as Clearing Margin of Customer Account for Non-clearing Participant (Replacement Deposit Account) consisting of the amounts deposited by Customer of Clearing Intermediary with Members that are Non-clearing Participant as Customer Margin in excess of the Total of Monies and Market Value for Substitute Securities deposited as Clearing Intermediation Margin (referred to in the remainder of this Paragraph as “The Total Current Deposit Amount of Clearing Margin of Intermediary Futures Commission Merchant Account for Non-clearing Participant”).

- (1) The Clearing Intermediary:

The Total Current Deposit Amount of Clearing Margin of Intermediary Futures Commission Merchant Account for Non-clearing Participant reduced by the amount of portion of Obligation Relating to Transactions in commodity markets for Clearing Intermediary that have not become due and owing to Non-clearing Participant (excluding the amounts deducted under Paragraph 5(2) above).

- (2) Non-clearing Participant:

The Total Current Deposit Amount of Clearing Margin of Intermediary Futures Commission Merchant Account for Non-clearing Participant reduced by the amount of Subparagraph (1) above and portion of Obligation Relating



to Transactions in commodity markets for Customer of Clearing Intermediary consigned to the Clearing Intermediary that have not become due and for which the Non-clearing Participant are obligated to Designated Clearing Participant to make payment or delivery (excluding the amounts deducted under Paragraph 5(3) above).

(3) Designated Clearing Participant:

The Total Current Deposit Amount of Clearing Margin of Intermediary Futures Commission Merchant Account for Non-clearing Participant reduced by the amounts of Subparagraphs (1) and (2) above and portion of Obligation Relating to Transactions in commodity markets for Customer of Clearing Intermediary) consigned to the Clearing Intermediary that have not become due and for which the Designated Clearing Participant are obligated to JCCH to make payment or delivery (excluding the amounts deducted under Paragraph 5(4) above).

7. The following parties shall have Claim for Refund in the corresponding amounts of Clearing Margin of House Account for Non-clearing Participant and Clearing Margin of Customer Account for Non-clearing Participant deposited with JCCH in relation to Non-clearing Participant, which amounts shall be limited to the Total of Monies and Market Value for Substitute Securities deposited with JCCH as Clearing Margin of House Account for Non-clearing Participant; and that part of the Total of Monies and Market Value for Substitute Securities deposited with JCCH as Clearing Margin of Customer Account for Non-clearing Participant (Replacement Deposit Account) consisting of the amounts deposited with JCCH in excess of the Total of Monies and Market Value for Substitute Securities deposited as the Customer Margin with Non-clearing Participant (referred to in the remainder of this Paragraph as the “The Total Current Deposit Amount of Clearing Margin of Non-clearing Participant Account”).

(1) Non-clearing Participant:

The Total Current Deposit Amount of Clearing Margin of Non-clearing Participant Account reduced by the amount of portion of all Obligation Relating to Transactions in commodity markets for the Non-clearing Participant that have not become due and owing to Designated Clearing Participant to make payment or delivery (excluding the amounts deducted under Paragraphs 4(3), 5(3) and 6(2) above).

- (2) Designated Clearing Participant:  
The Total Current Deposit Amount of Clearing Margin of Non-clearing Participant Account of the reduced by the amount of Subparagraph (1) above and portion of Obligation Relating to Transactions in commodity markets as Commodity Clearing Transactions for the Non-clearing Participant that have not become due and owing to Designated Clearing Participant to make payment or delivery (excluding the amounts deducted under Paragraphs 4(4), 5(4) and 6(3) above).
8. The following parties shall have Claim for Refund in the corresponding amounts of Clearing Margin of House Account for Clearing Participant and Clearing Margin of Customer Account for Clearing Participant deposited with JCCH in relation to Clearing Participant reduced by the portion of all Obligation Relating to Transactions in commodity markets that have not become due and for which the Clearing Participant are obligated to JCCH to make payment or delivery (excluding the amounts deducted under Paragraphs 1(2), 2(3), 3(2), 4(4), 5(4), 6(3) and 7(2) above) to a maximum limit of that part of the Total of Monies and Market Value for Substitute Securities deposited with JCCH as Clearing Margin of House Account for Clearing Participant; and that part of the Total of Monies and Market Value for Substitute Securities deposited with JCCH as Clearing Margin of Customer Account for Clearing Participant (Replacement Deposit Account) consisting of the amount deposited with JCCH in excess of the Total of Monies and Market Value for Substitute Securities deposited as Customer Margin with Clearing Participant (referred to in the remainder of this Paragraph as “The Total Current Deposit Amount of Clearing Margin of Clearing Participant Account”).
9. With respect to application of Paragraphs 1 through 8 above, the Obligation Relating to Transactions in commodity markets for those Listed Commodity Component Products in Designated Commodity Market that are prescribed by JCCH shall be managed separately from Obligation Relating to Transactions in commodity markets for Listed Commodity Component Products other than those so designated, except in cases where Customers have directly Claim for Refund from JCCH as prescribed under Article 30.2 hereof.
10. The exercise of Claim for Refund of Clearing Margin shall be conducted in the manner prescribed below:

- (1) Claim for Refund of Clearing Margin of Clearing Participant shall be exercised by means of a notification of such intent to JCCH by the Clearing Participant.
- (2) Claim for Refund of Clearing Margin of Non-clearing Participant shall be exercised by a Designated Clearing Participant acting as agent for the Non-clearing Participant.
- (3) Claim for Refund of Clearing Margin of Customer of Clearing Participant or Intermediary Futures Commission Merchant shall be exercised by the Clearing Participant as agent for the Customer or Intermediary Futures Commission Merchant.
- (4) Claim for Refund of Clearing Margin of Customer of Intermediary Futures Commission Merchant shall be exercised by the Clearing Participant which had assumed from the Intermediary Futures Commission Merchant of Transactions in commodity markets consigned by the Customer of Intermediary Futures Commission Merchant, acting in the capacity of agent for the Customer of Intermediary Futures Commission Merchant.
- (5) Claim for Refund of Clearing Margin of Customer of Non-clearing Participant, Overseas Customer or Clearing Intermediary shall be exercised by the Non-clearing Participant and Designated Clearing Participant acting as agent for the Customer of Non-clearing Participant, Overseas Customer or Clearing Intermediary.
- (6) Claim for Refund of Clearing Margin of Customer of Clearing Intermediary shall be exercised by the Non-clearing Participant and the Designated Clearing Participant, which had accepted consignment from the Clearing Intermediary of Transactions in commodity markets consigned by the Customer of Clearing Intermediary, acting as agent for the Customer of Clearing Intermediary.

**Article 21 Notification of Clearing Margin Maintenance Amount of House Account and Reports of Clearing Margin Maintenance Amount of Customer Account and Deposit Requirement for Customers**

1. JCCH shall notify Clearing Participants of Clearing Margin Maintenance Amount of House Account as prescribed under Article 5.1 hereof each business day.

- 2 Clearing Participant shall report to JCCH the Total Clearing Margin Maintenance Amount of Customer Account as prescribed under Article 6.3 hereof every business day by the time prescribed by JCCH.
- 3 Clearing Participant shall report to JCCH the Total Amount of Deposit Requirement for Customers under Article 7.4 hereof for each classification as prescribed under Subparagraphs 2 through 8 of Article 19.1 hereof by the time prescribed by JCCH.
- 4 In cases falling under the preceding Paragraph, Substitute Securities shall be based on the applied value adapt on the date of deposit report.

**Article 22 Reporting Requirement for Matters Concerning Transactions in commodity markets Consigned by Customer and Relating to Commodity Clearing Transactions of Non-clearing Participant**

When reporting is requested by JCCH concerning matters deemed necessary by JCCH such as the volumes of Clearing Contracts consigned by Customer (including Intermediary Futures Commission Merchants, same to apply in the remainder of this Article), other matters relating to Transactions in commodity markets consigned by Customer, volumes of Clearing Contracts relating to Commodity Clearing Transactions, and other matters concerning Transactions in commodity markets relating to Commodity Clearing Transactions, Clearing Participant shall promptly submit documentation stating such matters to JCCH.

## **CHAPTER 2-2. DELIVERY PAYMENTS**

### **Article 22-2 Deposit of Delivery Payment of House Account**

In cases where Transactions in commodity markets of House Account is settled by delivery and such settlement is carried out in the form of Monies, Securities or other consideration, a Clearing Participant shall deposit with JCCH the amount in Monies, Securities or other consideration for the settlement by delivery (hereinafter referred to as “Delivery Payment”).

### **Article 22-3 Deposit of Delivery Payment of Customer Account**

In cases where a Customer has placed Delivery Payment, a Clearing Participant acting as the agent of the Customer shall deposit with JCCH such Delivery Payment.

### **Article 22-4 Deposit of Delivery Payment for Intermediary Futures Commission Merchant**

In cases where an Intermediary Futures Commission Merchant has placed Delivery Payment as the agent of Customer of Intermediary Futures Commission Merchant, the Intermediary Futures Commission Merchant shall deposit with JCCH as agent of the Customer of Intermediary Futures Commission Merchant.

### **Article 22-5 Deposit of Delivery Payment for Commodity Clearing Transactions**

.A Clearing Participant shall deposit with JCCH from Non-clearing Participant as Member has placed the full amount of Delivery Payment as the agent of the relevant Non-clearing Participant, Customer of Non-clearing Participant of a Non-clearing Participant (including Overseas Customer), or Customer of Clearing Intermediary.

### **Article 22-6 Claim for Refund of Delivery Payment**

A Clearing Participant shall have claim for refund of Delivery Payment deposited with JCCH for the Clearing Participant.

2. A Non-clearing Participant shall have claim for refund of Delivery Payment of House Account for the Non-clearing Participant deposited with JCCH
3. A Customer of Clearing Participant shall have claim for refund of Delivery Payment of Customer Account for the Customer of Clearing Participant deposited with JCCH.
4. A Customer of Intermediary Futures Commission Merchant shall have claim for refund of Delivery Payment of Customer Account for Clearing Participant for the Customer of Intermediary Futures Commission Merchant deposited with JCCH.
5. A Customer of Non-clearing Participant shall have claim for refund of Delivery Payment of Customer Account for Non-clearing Participant deposited with JCCH.
6. An Overseas Customer shall have claim for refund of Delivery Payment of Customer Account for Non-clearing Participant for the Overseas Customer deposited with JCCH.
7. A Customer of Clearing Intermediary shall have claim for refund of Delivery Payment of Customer Account for Non-clearing Participant for the Customer of Clearing Intermediary deposited with JCCH.
8. The exercise of claim for refund of Delivery Payment shall be conducted in the manner prescribed below.
  - (1) Claim for refund of Delivery Payment of a Clearing Participant shall be exercised by means of a notification of such intent to JCCH by the Clearing Participant.
  - (2) Claim for refund of Delivery Payment of a Non-clearing Participant shall be exercised by a Designated Clearing Participant acting as agent for the Non-clearing Participant.
  - (3) Claim for refund of Delivery Payment of a Customer of Clearing Participant shall be exercised by the Clearing Participant acting as agent for the Customer.

- (4) Claim for refund of Delivery Payment of a Customer of Intermediary Futures Commission Merchant shall be exercised by the Clearing Participant which had assumed from the Intermediary Futures Commission Merchant of Transactions in commodity markets consigned by the Customer of Intermediary Commission Merchant, acting in the capacity of agent for the Customer of Intermediary Commission Merchant.
- (5) Claim for refund of Delivery Payment of a Customer of Non-clearing Participant of Non-clearing Participant and Overseas Customer shall be exercised by the Non-clearing Participant and its Designated Clearing Participant acting as agent for the Customer of Non-clearing Participant.
- (6) Claim for refund of Delivery Payment of a Customer of Clearing Intermediary shall be exercised by the Non-clearing Participant and its Designated Clearing Participant, which has accepted consignment from the Clearing Intermediary of Transactions in commodity markets consigned by the Customer of Clearing Intermediary, acting as agent for the Customer of Clearing Intermediary.

**CHAPTER 3. TREATMENT AND OTHER MATTERS FOR UNSETTLED  
CONTRACTS IN CASES INVOLVING SUSPENSION OF ASSUMING  
OBLIGATIONS AS A RESULT OF DEFAULT**

**Section 1. Treatment for Unsettled Contracts**

**Article 23 Suspension of Refunds of Clearing Margin in Conjunction with  
Suspension of Assuming Obligations or Suspension of Transactions as a Result  
of Default**

1. In cases where a Clearing Participant has become subject to Suspension of Assuming Obligations as a Result of Default or has become subject to Suspension of Transactions as a Result of Default imposed by Designated Commodity Exchange, JCCH shall temporarily suspend refunds of Clearing Margin to the Clearing Participant, Customer of the Clearing Participant (including Customers of Intermediary Futures Commission Merchants when the Customers are Intermediary Futures Commission Merchants, same to apply in the remainder of this Chapter), Non-clearing Participant for whom the Clearing Participant is the Designated Clearing Participant, and the Customers of Non-clearing Participant of such Non-clearing Participant (including Customer of Clearing Intermediary when the Customers of Intermediary Futures Commission Merchant are Clearing Intermediary, same to apply in the remainder of this Chapter) and Overseas Customer.
  
2. In cases where a Non-clearing Participant has become subject to Suspension of Transactions as a Result of Default imposed by Designated Commodity Exchange, JCCH shall temporarily suspend refunds of Clearing Margin to the Non-clearing Participant, the Customers of Non-clearing Participant of the Non-clearing Participant and Overseas Customer.

**Article 24. Treatment of Unsettled Contracts for the House Accounts of Clearing  
Participant**

1. In cases where a Clearing Participant has become subject to Suspension of



Transactions as a Result of Default imposed by Designated Commodity Exchange, JCCH may cause the Unsettled Contracts conducted for the House Account of the Clearing Participant becoming subject to such suspension (hereinafter the “Defaulting Clearing Participant”) to be transferred to another Clearing Participant designated by JCCH and make other arrangements as deemed necessary depending on the content of the actions taken by the Designated Commodity Exchange (provided that such actions shall not include positions for which delivery is certain under the Market Rules of the Designated Commodity Exchange but for which delivery has not been completed same to apply in the remainder of this Chapter).

2. In cases falling under the preceding Paragraph, executed consignment agreement is deemed to exist between the other Clearing Participant designated by JCCH and the Defaulting Clearing Participant.

**Article 25. Treatment of Unsettled Contracts Consigned by Customers of Clearing Participant**

In cases where a Clearing Participant has become subject to Suspension of Transactions as a Result of Default imposed by Designated Commodity Exchange, JCCH may cause the Unsettled Contracts of the Defaulting Clearing Participant that are consigned by Customers to be transferred to another Clearing Participant and make other arrangements as deemed necessary depending on the content of the actions taken by the Designated Commodity Exchange.

**Article 26. Treatment of Unsettled Contracts Consigned as Commodity Clearing Transactions**

1. In cases where a Non-clearing Participant has become subject to Suspension of Transactions as a Result of Default imposed by Designated Commodity Exchange, JCCH may cause the Unsettled Contracts consisting of such consigned as Commodity Clearing Transactions of the Non-clearing Participant becoming subject to such suspension that are carried by its Designated Clearing Participant to be transferred to another Clearing Participant and make other arrangements as deemed necessary depending on the content of the actions taken by the Designated

Commodity Exchange.

2. In cases where the Unsettled Contracts of a Designated Clearing Participant consisting of those consigned by Non-clearing Participant as Commodity Clearing Transactions are transferred to another Clearing Participant or become subject to other arrangements as deemed necessary in conjunction with disposition imposed by a Designated Commodity Exchange on Non-clearing Participant that results in suspension of the consignment of Commodity Clearing Transactions following Suspension of Assuming Obligations as a Result of Default, the right of representation for the Designated Clearing Participant under Article 20.10(2) hereof shall be extinguished.

## **Section 2 Treatment of Customer Account of Clearing Margin for Clearing Participant**

### **Article 27 Treatment of Customer Account of Clearing Margin**

1. In cases where the Unsettled Contracts consigned by Customers of a Defaulting Clearing Participant are transferred to another Clearing Participant under the provisions of Article 25 hereof (such transfer referred to herein as “Transfer of Unsettled Contracts,” and the receiving Clearing Participant in this case referred to herein as the “Clearing Participant Receiving Transfer of Unsettled Contracts”), JCCH shall regard the Clearing Margin of Customer Account for the Customer deposited by the Defaulting Clearing Participant with JCCH (limited to such for which the Customer or Customer of Intermediary Futures Commission Merchant has Claim for Refund of Clearing Margin under the provisions of Article 20 hereof, same to apply in Paragraph 2 below) to have been deposited with JCCH by the Clearing Participant Receiving Transfer of Unsettled Contracts acting in an agent capacity on the day that the Transfer of Unsettled Contracts is carried out (in cases where a Member receiving transfer as prescribed by Designated Commodity Exchange is a Non-clearing Participant, such deposit shall be that of the Member and the Clearing Participant Receiving Transfer of Unsettled Contracts that is a Designated Clearing Participant).
2. The Clearing Margin of Customer Account for Customer regarded as having been deposited with JCCH under the preceding Paragraph consisting of the amount

deposited as the Clearing Margin of Customer Account for Clearing Participant (Replacement Deposit Account) shall be the lesser of the following amounts:

- (1) The Total of Monies and Market Value for Substitute Securities deposited by Customer with the Defaulting Clearing Participant as Customer Margin; or
- (2) The amount apportioned based on the Total of Monies and Market Value for Substitute Securities Deposited by Customer with the Defaulting Clearing Participant as Customer Margin after deducting the costs required for converting the Substitute Securities deposited by the Defaulting Clearing Participant as the Customer Account of the Clearing Margin for Clearing Participant (Replacement Deposit Account) at the time of such conversion by JCCH under the provisions of Article 28 hereof from the Clearing Margin of Customer Account for Clearing Participant (Replacement Deposit Account) deposited by the Defaulting Clearing Participant with JCCH.

#### **Article 28 Conversion of Replacement Deposit Account of Clearing Margin**

1. In cases where Designated Commodity Exchange has caused the Unsettled Contracts of Customers that are consigned to Defaulting Clearing Participant to be closed out by offsetting buys and offsetting sells, or if the Transfer of Unsettled Contracts of Customer that are consigned to Defaulting Clearing Participant has been caused, JCCH may convert to cash all or some of the Substitute Securities deposited as the Clearing Margin of Customer Account for Clearing Participant (Replacement Deposit Account) by method deemed appropriate by JCCH. In such cases, executed consignment agreement is deemed to exist between JCCH and the Defaulting Clearing Participant and its Customer.
2. In cases falling under the preceding Paragraph, when there are Unsettled Contracts relating to Customers of Intermediary Futures Commission Merchant, JCCH may convert to cash all or some of the Substitute Securities deposited as the Clearing Margin of Customer Account for Clearing Participant (Intermediary Futures Commission Merchant Replacement Deposit Account) by method deemed appropriate by JCCH. In such cases, executed consignment agreement is deemed to exist between JCCH and the Defaulting Clearing Participant, the Intermediary Futures Commission Merchant and the Customers of the Intermediary Futures

Commission Merchant.

**Article 29      Exceptions for Treatment of Clearing Margin of Replacement  
Deposit Account**

1. In cases where JCCH has converted Substitute Securities under Article 28.1 hereof, the amount of Clearing Margin of Customer Account for Clearing Participant (Replacement Deposit Account) shall be the total value of Substitute Securities other than monies and Substitute Securities deposited by the Defaulting Clearing Participant with JCCH as the Clearing Margin of Customer Account for Clearing Participant (Replacement Deposit Account) and the proceeds remaining after such conversion less the expenses required for such conversion.
2. In cases where JCCH has converted Substitute Securities under Article 28.2 hereof, the amount of Clearing Margin of Customer Account for the Clearing Participant (Intermediary Futures Commission Merchant Replacement Deposit Account) shall be the total value of Substitute Securities other than monies and Substitute Securities deposited by the Defaulting Clearing Participant with JCCH as the Clearing Margin of Customer Account for Clearing Participant (Intermediary Futures Commission Merchant Replacement Deposit Account) and the proceeds remaining after such conversion less the expenses required for such conversion.

**Article 30      Exceptions for Claim for Refund of Clearing Margin of Customer  
Account**

1. Claim for Refund of the Clearing Margin of Customer Account regarded as having been deposited with JCCH under the provisions of Article 27.1 hereof shall be exercised with the Clearing Participant Receiving the Transfer of Unsettled Contracts as prescribed in Article 27.1 hereof acting as an agent.
2. In cases where Designated Commodity Exchange causes the Unsettled Contracts of Customers that are consigned to Defaulting Clearing Participant to be closed out by offsetting buys and offsetting sells Claim for Refund of the Clearing Margin of Customer Account relating to the Customer of the Defaulting Clearing Participant

may be exercised directly to JCCH. In such cases, the Clearing Margin of Customer Account deposited as the Clearing Margin of Customer Account for Clearing Participant (Replacement Deposit Account) in relation to the Customers shall not exceed the lesser of the Subparagraphs of Article 27.2 amounts.

3. In cases where a Customer of Clearing Participant a Claim for Refund of the Clearing Margin of Customer Account, consigned to a Defaulting Clearing Participant directly to JCCH under the preceding Paragraph, JCCH shall require reports to be submitted to JCCH concerning matters deemed necessary by JCCH. When JCCH deemed such reports appropriate, JCCH shall pay the refund of the Clearing Margin to the Customer of Clearing Participant at the head office of JCCH. Moreover, the exercise of the Claim for Refund of Clearing Margin may occur subsequent to the settlement of all Unsettled Contracts relating to the Customer.
4. In cases falling under the preceding Paragraph, upon receiving claim for the refund of monies, etc. deposited as the Clearing Margin of Customer Account for Clearing Participant (Replacement Deposit Account) in relation to Customers, JCCH shall refund such monies in cash.

**Article 31      Exceptions for Claim for Refund of Clearing Margin of Customer Account Relating to Intermediary Futures Commission Merchants**

1. In cases where Designated Commodity Exchange causes the Unsettled Contracts of Customers of Intermediary Futures Commission Merchant that are consigned to Intermediary Futures Commission Merchant of Defaulting Clearing Participant to be closed out by offsetting buys and offsetting sells, Claim for Refund of the Clearing Margin relating to the Customers of Intermediary Futures Commission Merchant may be exercised directly with respect to JCCH.
2. In cases falling under the preceding Paragraph, Claim for Refund of the Customer Account of Clearing Margin relating to Customers of Intermediary Futures Commission Merchant (excluding monies deposited by the Customers of Intermediary Futures Commission Merchant directly with JCCH as Clearing Margin) shall not exceed the lesser of the following amounts:

- (1) The Total of Monies and Market Value for Substitute Securities deposited by the Customer of Intermediary Futures Commission Merchant with Intermediary Futures Commission Merchants as Intermediation Margin or with the Defaulting Clearing Participant as Customer Margin; or
- (2) The amount apportioned based on the Total of Monies and Market Value for Substitute Securities placed by the Customer of Intermediary Futures Commission Merchant with Intermediary Futures Commission Merchants as Intermediation Margin or with the Defaulting Clearing Participant as Customer Margin given in a) and b) below:
  - a) The amount of Clearing Margin of Customer Account for Clearing Participant (Replacement Deposit Account) as prescribed under Article 29.1 hereof apportioned based on the Total of Monies and Market Value for Substitute Securities deposited by Customer, Intermediary Futures Commission Merchants and Customer of Intermediary Futures Commission Merchant with the Defaulting Clearing Participant as Customer Margin (including Clearing Margin deposited by Clearing Participant with JCCH until such time that the Clearing Margin placed by the Customer, Intermediary Futures Commission Merchants and Customer of Intermediary Futures Commission Merchant is deposited with JCCH as prescribed under Article 11.2 hereof); and
  - b) The amount of Clearing Margin of Customer Account for Clearing Participant (Intermediary Futures Commission Merchant Replacement Deposit Account) prescribed under Article 29.2 hereof.
3. In cases where a Claim for Refund of the Clearing Margin of Customer Account for Intermediary Futures Commission Merchant consigned to Intermediary Futures Commission Merchant of Defaulting Clearing Participant is exercised directly to JCCH under the preceding Paragraph, JCCH may require that reports be submitted concerning matters deemed necessary, JCCH shall refund Clearing Margin to Customer at the head office of JCCH when JCCH deemed the report appropriate. Moreover, the exercise of such Claim for Refund of Clearing Margin may occur subsequent to the settlement of all Unsettled Contracts relating to Customers Intermediary Futures Commission Merchant.
4. Except for Clearing Margin, etc. deposited directly with JCCH, upon receiving

demand for refund under the preceding Paragraph, JCCH shall return such monies in cash.

### **Article 32. Refunds of Clearing Margins Relating to the Transfer of Unsettled Contracts**

When wishing to obtain a refund of Clearing Margins regarded as having been deposited with JCCH under the provisions of Article 27.1 hereof, the Clearing Participant Receiving Transfer of Unsettled Contracts shall submit reports to JCCH of matters deemed necessary by JCCH.

### **Section 3. Treatment of Clearing Margin of Customer Account for Non-clearing Participant**

#### **Article 33. Treatment of Clearing Margin of Customer Account**

The provisions of Article 27 through Article 32 hereof shall apply *mutatis mutandis* to the management of Clearing Margin of Customer Account for Non-clearing Participant (excluding Remote Broker Non-clearing Participant) becoming subject to a Suspension of Transactions as a Result of Default imposed by a Designated Commodity Exchange. In such cases, the language appearing in Article 27 through Article 32 hereof shall be amended as follows: “Article 25” to “Article 26”; “Defaulting Clearing Participant” to “Non-clearing Participant becoming subject to a Suspension of Transactions as a Result of Default”; “Clearing Margin of Customer Account for Clearing Participant (Replacement Deposit Account)” to “Clearing Margin of Customer Account for Non-clearing Participant (Replacement Deposit Account)”; “offsetting buys and offsetting sells” to “consignment of offsetting buys and offsetting sells”; “and its Customer” to “... Designated Clearing Participant, and Non-clearing Participant and their Customers of Non-clearing Participant becoming subject to a Suspension of Transactions as a Result of Default”; “Customer” to “Customer of Non-clearing Participant”; “Intermediary Futures Commission Merchant” to “Clearing Intermediary”; “Customer of Intermediary Futures Commission Merchant” to “Customer of Clearing Intermediary”; “Clearing Margin of Customer Account for Clearing Participant (Intermediary Futures Commission Merchant Replacement Deposit Account)” to

“Clearing Margin of Customer Account for Non-clearing Participant (Clearing Intermediary Replacement Deposit Account)”; “..., and Intermediary Futures Commission Merchant and their Customers of Intermediary Futures Commission Merchant” to “ Designated Clearing Participant, and Non-clearing Participant, Clearing Intermediary and Customer of Clearing Intermediary becoming subject to a Suspension of Transactions as a Result of Default” and “Intermediation Margin” to “Clearing Intermediation Margin”.

### **Section 3-2. Treatment of Delivery Payment of Customer Account**

#### **Article 33-2. Exception for Claim for Refund of Delivery Payment**

In cases where a Clearing Participant has become subject to Suspension of Assuming Obligations as a Result of Default imposed by JCCH or has become subject to Suspension of Transactions as a Result of Default imposed by Designated Commodity Exchange, or in cases where a Non-clearing Participant has become subject to Suspension of Transactions as a Result of Default imposed by Designated Commodity Exchange, a claim for refund of Delivery Payment of Customer Account for a Customer of the Clearing Participant, a Customer of Intermediary Futures Commission Merchant, a Clearing Customer of Intermediary of Non-clearing Participant, or a Customer of Clearing Intermediary (hereinafter referred to as “Customers” in the remainder of this Chapter) may be exercised directly to JCCH.

2. In cases where a claim for refund of Delivery Payment of Customer Account is exercised by Customers directly to JCCH under the preceding Paragraph, JCCH may require the reports to be submitted concerning matters deemed necessary and shall refund Delivery Payment to the Customers at the head office of JCCH when JCCH deemed the report appropriate. Moreover, the exercise of such claim for refund of Delivery Payment may occur subsequent to the settlement of all Unsettled Contracts relating to the Customers.

### **Section 3-3. Treatment of Remote Broker Non-clearing Participant and Clearing Margin of Overseas Customer Account**

#### **Article 33-3. Exception for Treatment of Clearing Margin of Overseas Customer Accounts of a Remote Broker Non-clearing Participant**



Notwithstanding the provisions of Article 33 and Article 33-2, Remote Broker Non-clearing Participant and Clearing Margin of Overseas Customer Account shall be treated as prescribed in Article 33-4 through Article 33-9.

**Article 33-4. Treatment of Clearing Margin of Overseas Customer Account**

1. In cases where the Unsettled Contracts based on requests for brokerage activity for Commodity Clearing Transactions by Overseas Customer of a Remote Broker Non-clearing Participant subject to Suspension of Transactions as a Result of Default are transferred under the provisions of Article 26 hereof, JCCH shall regard the Clearing Margin of Overseas Customer Account for such requests for brokerage activity for Commodity Clearing Transactions deposited by the Remote Broker Non-clearing Participant subject to Suspension of Transactions with JCCH (limited to such for which said Overseas Customer has Claim for Refund of Clearing Margin under the provisions of Article 20.4 hereof, the same shall apply in Paragraph 2 below) to have been deposited with JCCH by the Clearing Participant Receiving Transfer of Unsettled Contracts (or, in cases where a Member receiving transfer as prescribed by Designated Commodity Exchange is a Non-clearing Participant, the Member receiving transfer) on the day that the Transfer of Unsettled Contracts is carried out.
2. The Clearing Margin of Overseas Customer Account for requests for brokerage activity for Commodity Clearing Transactions by said Overseas Customer regarded as having been deposited with JCCH under the preceding Paragraph consisting of the amount deposited as the Clearing Margin of Customer Account for Non-clearing Participant (Replacement Deposit Account) shall be the lesser of the following amounts:
  - (1) The Total of Monies and Market Value for Substitute Securities deposited by Overseas Customer with the Remote Broker Non-clearing Participant subject to Suspension of Transactions as a Result of Default; or
  - (2) The amount apportioned based on the Total of Monies and Market Value for Substitute Securities Deposited by Overseas Customer with the Remote Broker Non-clearing Participant subject to Suspension of Transactions as a Result of Default after deducting the costs required for converting the Substitute Securities deposited by the Remote Broker Non-clearing Participant subject to Suspension of Transactions as a Result of Default as the Customer Account of

the Clearing Margin for Non-clearing Participant (Replacement Deposit Account) at the time of such conversion by JCCH under the provisions of the following Article from the Clearing Margin of Customer Account for Non-clearing Participant (Replacement Deposit Account) deposited by the Remote Broker Non-clearing Participant subject to Suspension of Transactions as a Result of Default with JCCH.

**Article 33-5. Conversion of Replacement Deposit Account of Clearing Margin**

In cases where Designated Commodity Exchange has caused the Unsettled Contracts of Overseas Customers that are based on requests for brokerage activity for Commodity Clearing Transactions by Overseas Customers of a Remote Broker Non-clearing Participant subject to Suspension of Transactions as a Result of Default to be closed out by the consignment of offsetting buys and offsetting sells, or if the Transfer of Unsettled Contracts of Overseas Customers that are based on requests for brokerage activity for Commodity Clearing Transactions by Overseas Customers of a Remote Broker Non-clearing Participant subject to Suspension of Transactions as a Result of Default has been caused, JCCH may convert to cash all or part of the Substitute Securities deposited as the Clearing Margin of Customer Account for Non-clearing Participant (Replacement Deposit Account) by method deemed appropriate by JCCH. In such cases, executed consignment agreement is deemed to exist between JCCH and the Designated Clearing Participant of the Remote Broker Non-clearing Participant subject to Suspension of Transactions as a Result of Default, the Remote Broker Non-clearing Participant subject to Suspension of Transactions as a Result of Default and its Overseas Customers.

**Article 33-6. Exceptions for Treatment of Clearing Margin of Replacement Deposit Account**

In cases where JCCH has converted Substitute Securities under the preceding Article, the amount of Clearing Margin of Customer Account for Non-clearing Participant (Replacement Deposit Account) shall be the total value of Substitute Securities other than monies and Substitute Securities deposited by the Remote Broker Non-clearing Participant subject to Suspension of Transactions as a Result of Default with JCCH as the Clearing Margin of Customer Account for Non-clearing Participant (Replacement Deposit Account) and the proceeds remaining after such conversion less the expenses

required for such conversion.

**Article 33-7. Exceptions for Claim for Refund of Clearing Margin of Overseas Customer Account**

1. Claim for Refund of the Clearing Margin of Overseas Customer Account for requests for brokerage activity for Commodity Clearing Transactions regarded as having been deposited with JCCH under the provisions of Article 33-4.1 hereof shall be exercised with the Clearing Participant Receiving the Transfer of Unsettled Contracts as prescribed in the same Paragraph acting as an agent.
2. In cases where Designated Commodity Exchange has caused the Unsettled Contracts of Overseas Customers that are based on requests for brokerage activity for Commodity Clearing Transactions by Overseas Customers of a Remote Broker Non-clearing Participant subject to Suspension of Transactions as a Result of Default (limited to cases where said Remote Broker Non-clearing Participant is regarded as a defaulting party by the Designated Commodity Exchange or where the Designated Commodity Exchange receives from the Designated Clearing Participant of said Remote Broker Non-clearing Participant a notification of intent to settle the positions of the Remote Broker Non-clearing Participant as it failed to meet its obligations to said Designated Clearing Participant by the time limits stipulated in the Clearing Agreement and the Exchange has verified such fact and said Remote Broker Non-clearing Participant is deemed to be a defaulting party) to be closed out by the consignment of offsetting buys and offsetting sells, the Claim for Refund of the Clearing Margin of Overseas Customer Account for requests for brokerage activity for Commodity Clearing Transactions by Overseas Customers of the Remote Broker Non-clearing Participant subject to Suspension of Transactions as a Result of Default shall be exercised by the Designated Clearing Participant of the Remote Broker Non-clearing Participant subject to Suspension of Transactions as a Result of Default. In such cases, the Clearing Margin of Overseas Customer Account for requests for brokerage activity for Commodity Clearing Transactions by said Overseas Customers shall not exceed the lesser of the amounts listed in Subparagraphs of Article 33-4.2.
3. In cases where Designated Commodity Exchange has caused the Unsettled Contracts of Overseas Customers that are based on requests for brokerage activity for Commodity Clearing Transactions by Overseas Customers of a Remote Broker Non-clearing Participant subject to Suspension of Transactions as a Result of

Default (limited to cases where the Designated Clearing Participant of the Remote Broker Non-clearing Participant is regarded as a defaulting party by the Designated Commodity Exchange and the Remote Broker Non-clearing Participant is deemed to be a defaulting party) to be closed out by the consignment of offsetting buys and offsetting sells, the Claim for Refund of the Clearing Margin of Overseas Customer Account for requests for brokerage activity for Commodity Clearing Transactions by Overseas Customers of the Remote Broker Non-clearing Participant subject to Suspension of Transactions as a Result of Default shall be exercised by the Remote Broker Non-clearing Participant subject to Suspension of Transactions as a Result of Default. In such cases, the Clearing Margin of Overseas Customer Account for requests for brokerage activity for Commodity Clearing Transactions by said Overseas Customers shall not exceed the lesser of the amounts listed in Subparagraphs of Article 33-4.2.

4. In cases where a Claim for Refund of Clearing Margin of Overseas Customer Account for requests for brokerage activity for Commodity Clearing Transactions by Overseas Customers of a Remote Broker Non-clearing Participant subject to Suspension of Transactions as a Result of Default is exercised by the Designated Clearing Participant of the Remote Broker Non-clearing Participant subject to Suspension of Transactions as a Result of Default or the Remote Broker Non-clearing Participant to JCCH under the preceding two Paragraphs, JCCH may require that reports be submitted concerning matters deemed necessary and shall refund Clearing Margin to Customer at the head office of JCCH when JCCH deemed the report appropriate. Moreover, the exercise of the Claim for Refund of Clearing Margin may occur subsequent to the settlement of all Unsettled Contracts relating to the Overseas Customer.
5. In cases falling under the preceding Paragraph, upon receiving claim for the refund of monies, etc. deposited as the Clearing Margin of Overseas Customer Account for Non-clearing Participant (Replacement Deposit Account) in relation to said Overseas Customer, JCCH shall refund such monies in cash.

#### **Article 33-8. Refund of Clearing Margin Pertaining to Transferred Unsettled Contracts**

A Clearing Participant Receiving Transfer of Unsettled Contracts intending to receive the refund of the Clearing Margin that is deemed to have been deposited with JCCH pursuant to the provisions of Article 33-4.1 shall report the matters deemed necessary

by JCCH.

#### **Article 33-9. Exceptions for Claim for Refund of Delivery Payment**

1. In the case where the Designated Clearing Participant of a Remote Broker Non-clearing Participant is subject to Suspension of Assuming Obligations as a Result of Default by JCCH or the Designated Commodity Exchange, the Claim for Refund of Delivery Payment of Overseas Customer Account pertaining to Overseas Customers of the Remote Broker Non-clearing Participant shall be exercised by said Remote Broker Non-clearing Participant to JCCH.
2. In the case where a Remote Broker Non-clearing Participant is subject to Suspension of Assuming Obligations as a Result of Default by the Designated Commodity Exchange, the Claim for Refund of Delivery Payment of Overseas Customer Account pertaining to Overseas Customers of the Remote Broker Non-clearing Participant may be exercised to JCCH by the Designated Clearing Participant of the Remote Broker Non-clearing Participant to whom said Overseas Customers sent requests for brokerage activity for Commodity Clearing Transactions.
3. In cases where the Claim for Refund of Delivery Payment of Overseas Customer Account pertaining to Overseas Customers is exercised to JCCH by the Designated Clearing Participant of a Remote Broker Non-clearing Participant or a Remote Broker Non-clearing Participant under the preceding two Paragraphs, JCCH shall require reports to be submitted to JCCH concerning matters deemed necessary by JCCH and pay the refund of the Delivery Payment at the head office of JCCH if JCCH deemed such reports appropriate. Moreover, the exercise of the Claim for Refund of Delivery Payment may occur subsequent to the settlement of all Unsettled Contracts relating to the Overseas Customer.

#### **Section 4. Miscellaneous Rules**

##### **Article 34. Other Treatment in Conjunction with the Transfer of Unsettled Contracts**

In addition to the provisions of Article 23 through Article 33 hereof, other necessary matters concerning the Transfer of Unsettled Contracts shall be as prescribed by JCCH on case by case basis.

#### **Article 34-2. Change in Settlement Method**

If JCCH decides to postpone the settlement date of Clearing Contracts or determine the clearing terms pursuant to the provisions of Article 77 or Article 78 of the Business Rules, it may change the cut-off time and date for the deposit of Clearing Margin prescribed in Article 14 and Article 18 as well as take any necessary measures in relation thereto.

## **CHAPTER 4. LETTER OF GUARANTEE CONCERNING CONSIGNMENTS OF CLEARING MARGIN DEPOSITS**

### **Article 35. Notification of Contractual Amounts for Agreement of Letter of Guarantee Concerning Replacement Deposits**

1. When a Member executes an Agreement of Letter of Guarantee Concerning Replacement Deposits, the Member shall submit a report to JCCH in the manner prescribed separately.
2. Upon receiving notification under the preceding Paragraph, JCCH may grant a deferral, solely for the period in which the concerned Agreement of Letter of Guarantee Concerning Replacement Deposits remains in effect, of the deposit of all or part of the amount of Clearing Margin to be deposited with JCCH that is the subject of the Agreement of the Letter of Guarantee Concerning Replacement Deposits.
3. In cases where JCCH grants a deferral of the deposit of Clearing Margin under Paragraph 1, JCCH shall furnish the Member submitting such notification with written notice of the amount to be deferred, the day on which the grant of the same is valid and other necessary matters. If a party submitting the notification is an Intermediary Futures Commission Merchant, JCCH shall furnish the Member with the notice through the Intermediary Futures Commission Merchant.

### **Article 36. Instructions Concerning Deferred Deposit Amount for Agreement of Letter of Guarantee Concerning Replacement Deposits**

When deemed necessary to ensure fairness of transactions conducted in the Commodity Market and to protect Customers, JCCH shall issue instructions to Members, Intermediary Futures Commission Merchants or the banks and financial institutions with whom Members or Intermediary Futures Commission Merchants have executed an Agreement of Letter of Guarantee Concerning Replacement Deposits concerning the amounts of the required Clearing Margin or amounts of the Clearing Margin for which a deferral of the deposit of the same is granted under Article 35.2 hereof that must be deposited with JCCH.

**Article 37. Other Treatment in Conjunction with Agreement of Letter of Guarantee Concerning Replacement Deposits**

In addition to the provisions of Articles 35 and 36 hereof, other necessary matters concerning an Agreement of Letter of Guarantee Concerning Replacement Deposits shall be as prescribed separately by JCCH.

**Article 37-2. Agreement of Letter of Guarantee Concerning Direct Deposits**

1. A Clearing Participant (only applicable to the case of conducting futures transactions of House Account in the Commodity Market, hereinafter the same to apply in this Article through Article 37.5 hereof), a Non-clearing Participant (only applicable to the case where a Clearing Participant conducts commodity clearing transactions that is consigned by a Non-clearing Participant for its House Account, hereinafter the same to apply in this Article through Article 37.5 hereof) or a Customer, a Customer of Intermediary Futures Commission Merchant, a Clearing Customer of Intermediary or a Customer of Clearing Intermediary (referred collectively to as “Customers”, hereinafter the same to apply in this Article through Article 37.5 hereof) may, upon receiving prior approval from JCCH in the manner separately prescribed by JCCH, execute an Agreement of Letter of Guarantee Concerning Direct Deposits with a bank or other financial institution.
2. In cases where a Clearing Participants, a Non-clearing Participants or Customers seek to execute an Agreement of Letter of Guarantee Concerning of Direct Deposits with a bank or other financial institution, Clearing Participants shall insure that the contents of such Agreement meet the requirements of following Subparagraphs;
  - (1) On receipt of an instruction from JCCH pursuant to provisions of Article 103.11 of the CEA applied *mutatis mutandis* to Article 179.8 of CEA (hereinafter “instruction on deposits”), the amount of the Clearing Margin pertaining to the instruction shall be deposited with JCCH for the relevant Clearing Participant, Non-clearing Participant or Customers without delay.
  - (2) It is prohibited to set off debts of a bank or other financial institution against claims for the Clearing Participant, Non-clearing Participant or Customers..;



- (3) The agreement is valid for the period of one year and commencement day is the first day of month;
- (4) Clearing Participant may not cancel the agreement or change the agreement, except when Clearing Participant received approval from JCCH in advance;
- (5) In cases of canceling the agreement, a Clearing Participant shall notify the termination of the agreement to JCCH by one month prior to the day (in cases of holiday, the previous business day.) of termination;
- (6) When JCCH finds it necessary for securing the fairness of transactions on Commodity Market and the cause of instruction on deposits happened in the term during which the said agreement remains in force, JCCH may instruct on the deposits until one month later, even after the term in which the said agreement remains in force, and this agreement shall include the contents that effect of this agreement remains in force during the term until the deposit to JCCH is completed based on the instruction.

**Article 37-3. Application and Approval for Agreement of Letter of Guarantee Concerning Direct Deposits**

1. When a Clearing Participant, Non-clearing Participant or Customers seek to receive approval pertaining to the conclusion of Agreement of Letter of Guarantee Concerning Direct Deposits set force or cancel or Change of such agreement, the Clearing Participant shall submit a written application for approval to JCCH in the manner prescribed separately.
2. When JCCH finds that the application for approval set forth or change of Agreement of Letter of Guarantee Concerning Direct Deposits meets the following requirements, JCCH shall grant the approval set forth in the said Paragraph.
  - (1) The contents of the agreement pertaining to the application meet the requirements listed in respective items of Article 37-2.2;
  - (2) A bank or other financial institution which is the counterparty of the said agreement has the funds and credit necessary to carry out the agreement.
3. JCCH shall furnish the applicant submitting the approval under Paragraph 1 with written notice of approval or disapproval of such application.

**Article 37-4. Notification of Contractual Amount for Agreement of Letter of Guarantee Concerning Direct Deposits**

1. When approved Clearing Participant, Non-clearing Participant or Customers in Article 37-3 executes an Agreement of Letter of Guarantee Concerning Direct Deposits set forth (including when making a change to said agreement and when making a cancel to said agreement), the Clearing Participant shall submit a copy of the agreement (agreement with the certificate on which the seal of the representative director of a bank or other financial institution is impressed) to JCCH.
2. Upon receiving notification under the preceding Paragraph, JCCH may grant a deferral, solely for the period in which the concerned Agreement of Letter of Guarantee Concerning Direct Deposits remains in effect, of the deposit of all or part of the amount of Clearing Margin to be deposited with JCCH that is the subject of the Agreement of the Letter of Guarantee Concerning Direct Deposits
3. In cases where JCCH grants a deferral of the deposit of Clearing Margin under Paragraph 1, JCCH shall furnish the Clearing Participant, Non-clearing Participant or Customers submitting such notification with written notice of the receiving notification, the amount of limit to be deferred, the day on which the grant of the deferral is valid and other necessary matters.

**Article 37-5. Instructions Concerning Deferred Deposit Amount for Agreement of Letter of Guarantee Concerning Direct Deposits**

When deemed necessary to ensure fairness of transactions conducted in the Commodity Market, JCCH shall issue instructions to a Clearing Participant, a Non-clearing Participant or Customers or the bank or other financial institutions with whom the Clearing Participant, Non-clearing Participant or Customers have executed an Agreement of Letter of Guarantee Concerning Direct Deposits concerning the amounts of the required Clearing Margin or amounts of the Clearing Margin for which a deferral of the deposit of the same is granted under Article 37-4.2 hereof that must be deposited

with JCCH.

**Article 37-6. Other Treatment in Conjunction with Agreement of Letter of Guarantee Concerning Direct Deposits**

In addition to the provisions of Articles 37-2 through Article 37-5 hereof, other necessary matters concerning an Agreement of Letter of Guarantee Concerning Direct Deposits shall be as prescribed separately by JCCH.

## **CHAPTER 5. MISCELLANEOUS RULES**

### **Article 38. Interest**

JCCH shall not pay interest on monies and Substitute Securities or any other consideration deposited by Clearing Participant as Clearing Margin.

### **Article 39. Application of Rules to Intermediary Futures Commission Merchant**

Clearing Participant shall cause Intermediary Futures Commission Merchant to comply with these Rules.

### **Article 40. Application of Rules to Commodity Clearing Transactions**

With respect to the brokerage of Commodity Clearing Transactions that are consigned, unless otherwise prescribed in these Rules, a Member to whom such Commodity Clearing Transactions are consigned shall be regarded as the party conducting the brokerage of the concerned Commodity Clearing Transactions in commodity markets, and the provisions of Chapters 2 through 3 hereof shall apply in such cases.

### **Article 41. Determinations of Necessary Matters Concerning Clearing Margin and Transfers of Unsettled Contracts**

In addition to the provisions of these Rules, in cases where necessity exists concerning the management of Clearing Margin and Unsettled Contracts relating to Transactions in commodity markets JCCH may prescribe the required procedures for the same through appropriate Rules and Regulations.

### **Article 42. Authority to Amend Rules**

Amendments to these Rules shall be conducted by resolution of the meeting of the Board of Directors except where the content of such amendments is only minor in nature.

## **SUPPLEMENTARY PROVISIONS**

### **Supplementary Provisions**

These Rules Concerning Clearing Margin shall be implemented on May 1, 2005.

### **Supplementary Provisions**

The amended provisions of Article 20 (Claim for Refund of Clearing Margin) and Article 21(Reports of Amount of Customer and Commodity Clearing Transactions Accounts of Clearing Margin) shall be implemented from November 9, 2005.

### **Supplementary Provisions**

The amended provisions of Article 12 (Deposit of Clearing Margin for Intermediary Futures Commission Merchant) and Article 20(Claim for Refund of Clearing Margin) shall be implemented from April 4, 2006.

### **Supplementary Provisions**

The amended provisions of Article 14 (Deadline for Deposit of Clearing Margin) and Article 18(Deadline for Deposit of Clearing Margin) adopted by resolution at the meeting of the meeting of the Board of Directors convened on November 30, 2006 shall be implemented from December 26, 2006.

### **Supplementary Provisions**

The amended provisions of Article 30 (Exceptions for Claim for Refund of Clearing Margin of Customer Account) adopted by resolution at the meeting of the meeting of the Board of Directors convened on February 27, 2007 shall be implemented from February 28, 2007.

### **Supplementary Provisions**

The amended provisions of Article 30 (Exceptions for Claim for Refund of Clearing Margin of Customer Account) shall be implemented from July 27, 2007.

### **Supplementary Provisions**

The amended provisions of Article 6 (Required Amount of Clearing Margin of Customer Account), Article 17 (Maintenance of Clearing Margin for Commodity Clearing Transactions), Article 30 (Exceptions for Claim for Refund of Clearing Margin of Customer Account) and Article 31 (Exceptions for Claim for Refund of Clearing Margin of Customer Account Relating to Intermediary Futures Commission Merchants) adopted by resolution at the meeting of the Board of Directors convened on June 30, 2008 shall become effective on September 1, 2008.

### **Supplementary Provisions**

The amended provisions of Article 14(Deadline for Deposit of Clearing Margin) adopted by resolution at the meeting of the Board of Directors convened on March 19, 2009 shall become effective on May 7, 2009.

### **Supplementary Provisions**

The amended provisions of Article 10(Deposit of Clearing Margin of House Account), Article 11(Deposit of Clearing Margin of Customer Account), Article 35(Notification of Contractual Amounts for Agreement of Letter of Guarantee Concerning Replacement Deposits), Article 36(Instructions Concerning Deferred Deposit Amount for Agreement of Letter of Guarantee Concerning Replacement Deposits), Article 37(Other Treatment in Conjunction with Agreement of Letter of Guarantee Concerning Replacement Deposits), and the new stipulations of 37-2(Agreement of Letter of Guarantee Concerning Direct Deposits), Article 37-3(Application and Approval for Agreement of Letter of Guarantee Concerning Direct Deposits), Article 37-4(Notification of Contractual Amount for Agreement of Letter of Guarantee Concerning Direct Deposits),

Article 37-5(Instructions Concerning Deferred Deposit Amount for Agreement of Letter of Guarantee Concerning Direct Deposits), Article 37-6(Other Treatment in Conjunction with Agreement of Letter of Guarantee Concerning Direct Deposits) adopted by resolution at the meeting of the Board of Directors convened on June 1, 2010 shall become effective on July 1, 2010.

### **Supplementary Provisions**

The amended provisions of Article 1(Purpose), Paragraph 2 of Article 10.(Deposit of Clearing Margin of House Account), and the new stipulations of Article 22-2 (Deposit of Delivery Payment of House Account), Article 22-3 (Deposit of Delivery Payment of Customer Account), Article 22-4 (Deposit of Delivery Payment for Intermediary Futures Commission Merchant), Article 22-5 (Deposit of Delivery Payment for Commodity Clearing Transactions), Article 22-6 (Claim for Refund of Delivery Payment) and Article 33-2 (Exception for Claim for Refund of Delivery Payment) adopted by resolution at the meeting of the Board of Directors convened on October 29, 2010 shall become effective on January 1, 2011, the amended provisions of Article 2 (Definitions), Article 4 (Clearing Margin Maintenance Amount and SPAN Margin Requirement), Article 5 (Clearing Margin Maintenance Amount of House Account), Article 6 (Clearing Margin Maintenance Amount of Customer Account), Article 7 (Deposit Requirement for Customers), Article 8 (Total of Clearing Margin Maintenance Amount and Deposit Requirement), Paragraph 1 of Article 10 (Deposit of Clearing Margin of House Account), Article 11 (Deposit of Clearing Margin of Customer Account), Article 12 (Deposit of Clearing Margin for Intermediary Futures Commission Merchant), Article 13 (Deposit of Clearing Margin for Commodity Clearing Transactions), Article 15 (Maintenance of Clearing Margin of House Account), Article 16 (Maintenance of Clearing Margin of Customer and Intermediary Futures Commission Merchant), Article 17 (Maintenance of Clearing Margin for Commodity Clearing Transactions), Article 18 (Deadline for Deposit of Clearing Margin), and Article 21 (Notification of Clearing Margin Maintenance Amount of House Account and Reports of Clearing Margin Maintenance Amount of Customer Account and Deposit Requirement for Customers), and new provisions of Article 10-2 (Deposit of Clearing Margin of Customer Account and Commodity Clearing Transactions) adopted by resolution at the meeting of the Board of Directors convened on October 29, 2010 shall become effective on January 4 2011, and their specific items shall be prescribed



separately by JCCH.

### **Supplementary Provisions**

The amended provisions of Article 11 (Deposit of Clearing Margin of Customer Account), Article 12 (Deposit of Clearing Margin of Intermediary Futures Commission Merchant), Article 13 (Deposit of Clearing Margin for Commodity Clearing Transactions), Article 16 (Maintenance of Clearing Margin of Customer and Intermediary Futures Commission Merchant Account), Article 37-2 (Agreement of Letter of Guarantee Concerning Direct Deposits), Article 37-3 (Application of Approval for Agreement of Letter of Guarantee Concerning Direct Deposits), Article 37-4 (Notification of Contractual Amount for Agreement of Letter of Guarantee Concerning Direct Deposits), Article 37-5 (Instructions Concerning Deferred Deposit Amount for Agreement of Letter of Guarantee Concerning Direct Deposits), and Article 37-6 (Other Treatment in Conjunction with Agreement of Letter of Guarantee Concerning Direct Deposits) adopted by resolution at the meeting of the Board of Directors convened on December 24 2010, shall become effective on January 1 2011.

### **Supplementary Provisions**

The new stipulation of Article 34-2 (Change in Settlement Method) adopted by resolution at the meeting of the Board of Directors convened on May 30, 2013 shall be implemented from June 28, 2013.

### **Supplementary Provisions**

The amendments to Article 2 (Definitions), Article 3 (Purpose of Clearing Margin), Article 5 (Clearing Margin Maintenance Amount of House Account), Article 6 (Clearing Margin Maintenance Amount of Customer Account), Article 7 (Deposit Requirement for Customers), Article 8 (Total of Clearing Margin Maintenance Amount and Deposit Requirement), Article 10 (Deposit of Clearing Margin of House Account), Article 10-2 (Deposit of Clearing Margin of Customer Account and Commodity Clearing Transactions), Article 19 (Classification and Management of Clearing Margin),

Article 20 (Claim for Refund of Clearing Margin), Article 21 (Notification of Clearing Margin Maintenance Amount of House Account and Reports of Clearing Margin Maintenance Amount of Customer Account and Deposit Requirement for Customers), Article 22-5 (Deposit of Delivery Payment for Commodity Clearing Transactions), Article 22-6 (Claim for Refund of Delivery Payment), Article 23 (Suspension of Refunds of Clearing Margin in Conjunction with Suspension of Assuming Obligations or Suspension of Transactions as a Result of Default), Article 28 (Conversion of Replacement Deposit Account of Clearing Margin), Article 30 (Exceptions for Claim for Refund of Clearing Margin of Customer Account), Article 31 (Exceptions for Claim for Refund of Clearing Margin of Customer Account Relating to Intermediary Futures Commission Merchants), Article 33 (Treatment of Clearing Margin of Customer Account), Article 37-3 (Application and Approval for Agreement of Letter of Guarantee Concerning Direct Deposits), Article 37-4 (Notification of Contractual Amount for Agreement of Letter of Guarantee Concerning Direct Deposits) and Article 40 (Application of Rules to Commodity Clearing Transactions) and the new stipulations to Article 33-3 (Exception for Treatment of Clearing Margin of Overseas Customer Accounts of a Remote Broker Non-clearing Participant), Article 33-4 (Treatment of Clearing Margin of Overseas Customer Account), Article 33-5 (Conversion of Replacement Deposit Account of Clearing Margin), Article 33-6 (Exceptions for Treatment of Clearing Margin of Replacement Deposit Account), Article 33-7 (Exceptions for Claim for Refund of Clearing Margin of Overseas Customer Account), Article 33-8 (Refund of Clearing Margin Pertaining to Transferred Unsettled Contracts) and Article 33-9 (Exceptions for Claim for Refund of Delivery Payment) adopted by resolution at the meeting of the Board of Directors convened on April 18, 2013 shall become effective on March 31, 2014.

### **Supplementary Provisions**

The amendments to Article 5 (Clearing Margin Maintenance Amount of House Account), Article 6 (Clearing Margin Maintenance Amount of Customer Account), Article 7 (Deposit Requirement for Customers), Article 11 (Deposit of Clearing Margin of Customer Account), and Article 37-2 (Agreement of Letter of Guarantee Concerning Direct Deposits), adopted by resolution at the meeting of the Board of Directors convened on May 26, 2016, and the amendments to Article 1 (Purpose), Article 2 (Definitions), Article 3 (Purpose of Clearing Margin), Article 10 (Deposit of Clearing

Margin of House Account), Article 10-2 (Deposit of Clearing Margin of Customer Account and Commodity Clearing Transactions), Article 14 (Deadline for Deposit of Clearing Margin), Article 19 (Classification and Management of Clearing Margin), Article 20 (Claim for Refund of Clearing Margin), Article 22 (Reporting Requirement for Matters Concerning Futures Transactions Consigned by Customers and Futures Transactions Relating to Commodity Clearing Transactions of Non-clearing Participant), Article 22-2 (Deposit of Delivery Payment of House Account), Article 22-6 (Claim for Refund of Delivery Payment), Article 40 (Application of Rules to Commodity Clearing Transactions), and Article 41 (Determinations of Necessary Matters Concerning Clearing Margin and Transfers of Unsettled Contracts), adopted by resolution at the meeting of the Board of Directors convened on June 30, 2016 shall be implemented on July 25, 2016.