

## **REGULATIONS FOR SUBSTITUTE FOREIGN CURRENCY**

**THIS ENGLISH TEXT OF REGULATIONS 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 (“JCC H”) 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 THIS REGULATIONS SHALL BE DECIDED IN ACCORDANCE WITH THE JAPANESE TEXT ONLY.**

### **Article 1. Purpose**

The purpose of these Regulations shall be to set forth the necessary matters prescribed under Article 9.2 of the Clearing Margin Rules consisting of Foreign Currency (hereinafter “Substitute Foreign Currency”) that may be substitute for Clearing Margin, Customer Margin, Intermediation Margin, and Clearing Intermediation Margin.

### **Article 2. Substitute Foreign Currency**

Foreign Currency shall be as given currency of the United States of America (hereinafter “US dollar”).

### **Article 3. Unit Size of Deposits**

Clearing Participant may deposit its Substitute Foreign Currency by unit size of 100 US dollars with JCCH.

### **Article 4. Applied Value**

1. Applied value shall be 97% of US dollar (TTB) which multiplied by unit size of pursuant to the provision of preceding Article. However, applied value shall be reviewed when JCCH deemed necessary.
2. When determining the applied value of preceding Paragraph, any amount that less than 1 yen shall be rounded down.
3. Conversion of Foreign Currency rate into Japanese yen under Article 4.1 shall be applied to deposit for Clearing Margin of next business day to the first Foreign Currency rate announced by MUFG Bank, Ltd. on each of Bank's business day.  
In cases where Foreign Currency can not be obtained or other reason to be and when JCCH deemed necessary, the rate which JCCH set forth may adopt.

### **Article 5. Return of Substitute Foreign Currency**

When JCCH has received application of return for deposits Clearing Margin by Substitute Foreign Currency from Clearing Participant, JCCH shall return such deposits to settlement account (Foreign Currency) of the Clearing Participant on the next business day after the application date.

**Supplementary Provisions**

These Regulations shall be implemented on April 1 2006 and become effective on April 28, 2006.

**Supplementary Provisions**

Revisions of Article 4(Applied Value) shall be effective from the trading date of June 21, 2011.

**Supplementary Provisions**

Revisions of Article 5 (Return of Substitute Foreign Currency) shall be effective from December 18, 2017.

**Supplementary Provisions**

Revisions of Article 4(Applied Value) shall be effective from March 27, 2019.