

[English Translation]

**ENFORCEMENT REGULATIONS FOR  
TRADING REGULATIONS**

**TOKYO FINANCIAL EXCHANGE INC.**

(This is an English translation of the Enforcement Regulations for Trading Regulations, which original has been prepared in the Japanese language only. The Japanese language text hereof shall govern for all purposes and in all respects. Accordingly, all questions that may arise within or without courts of law in regard to the meaning of the words, provisions and stipulations of these Enforcement Regulations for Trading Regulations shall be decided in accordance with the Japanese language text. Tokyo Financial Exchange Inc. (“TFX”) assumes no responsibility for accuracy, correctness, or content of this English text.)

Enforcement Regulations for Trading Regulations  
Table of Contents

|   | Page |
|---|------|
| Article 1. Purpose .....  | 1    |
| Article 1-2. Affiliation .....  | 1    |
| Article 2. Period for Accepting Cancellation of Bids and Offers .....   | 1    |
| Article 3. Particulars for Bids and Offers .....  | 1    |
| Article 3-2. Correction to Whether for Customer Account or for House Account .....  | 4    |
| Article 4. Period for Suspension of Market Derivatives Transaction .....  | 5    |
| Article 4-2. Publication or Notice of Invalidation .....  | 5    |
| Article 4-3. Invalidation of Contract .....   | 7    |
| Article 5. Correction to Contents of Bid or Offer .....   | 7    |
| Article 6. Application for Approval of Market Derivatives Transaction for Error<br>Trade Correction, etc. ....                                  | 8    |
| Article 6-2. Types of Strategy Trade, etc. ....   | 8    |
| Article 6-3. Other Particulars for Strategy Trade .....   | 8    |
| Article 6-3-2. Special Provisions concerning Precedence of Bids and Offers matched<br>in accordance with Principle of Price/Time Priority ..... | 9    |
| Article 6-4. Particulars for Application for Block Trade .....  | 10   |
| Article 6-5. Period for Suspension of Block Trade .....   | 12   |
| Article 6-6. Give-up Notification Period .....  | 12   |
| Article 6-7. Take-up and Other Notification Period .....  | 12   |
| Article 6-8. Correction to Contents of Give-up Notifications, etc. ....   | 12   |
| Article 7. Confirmation of Details of Overseas Position .....   | 13   |
| Article 8. Time for Notice of L-T Link Position by Exchange .....   | 15   |
| Article 9. Period for Non-dispatch of Notice by Exchange .....  | 15   |
| Article 10. Notification of Doubts about L-T Link Position Details .....  | 15   |
| Article 11. Deadline for Submission of Notification on Whether for Customer<br>Account or for House Account of L-T Link Position .....          | 15   |
| Article 12. (Deleted) .....   | 15   |
| Article 13. Reporting on Market Derivatives Contracts .....   | 15   |
| Article 13-2. Method Utilizing Information and Telecommunication Technology for<br>Notice to Customers .....                                    | 16   |
| Article 14. Recordkeeping for Market Derivatives Transactions based on<br>Customer's Order .....  | 17   |

|   |        |
|---|--------|
| Article 14-2. Method Utilizing Information and Telecommunication Technology for<br>Notice to Trading Members..... | 18     |
| Article 15. Calculation Method, etc. for Official Closing Price .....   | 19     |
| Article 16. Regulatory Measures on Market Derivatives Transactions, etc. ....                                     | 19     |
| <br>SUPPLEMENTARY PROVISIONS .....  | <br>20 |
| <br>Appendix 1 Types of Strategy Trades for Market Derivatives Contracts .....                                    | <br>22 |
| Appendix 2 Contents of Record for Bids and Offers .....   | 24     |

## **Article 1. Purpose**

These Enforcement Regulations set forth the matters to be prescribed or designated by the Exchange pursuant to the Trading Regulations (hereinafter called the “Trading Regulations”).

## **Article 1-2. Affiliation**

The financial index set forth in Article 2(6) of the Trading Regulations shall be the financial index as set forth in Article 3(1) of the Trading Regulations.

## **Article 2. Period for Accepting Cancellation of Bids and Offers**

2.1 The Exchange shall accept cancellation requested by a Trading Member of its bids or offers set forth in Article 5.4 of the Trading Regulations during the period from the opening of the pre-open period to the close of the evening session (or the close of the day session if no matching is conducted during the evening session; this interpretation shall similarly apply hereinafter) of the relevant market derivatives contract.

2.2 Cancellation of a GTC order referred to in Article 3.1(2)(a) hereof shall be acceptable during the period set forth in Article 2.1 above, as well as the period during which Trading Members have access to the Trading System.

2.3 Whenever the Exchange deems it necessary, it may accept cancellation of bids and offers from a Trading Member during the hours designated by the Exchange from time to time in addition to the periods set forth in Articles 2.1 and 2.2 above.

## **Article 3. Particulars for Bids and Offers**

3.1 The matters to be prescribed by the Exchange in connection with bids and offers for the market derivatives contracts based on the auction method pursuant to Article 11.7 of the Trading Regulations shall be as follows.

- (1) Matching process of bids and offers

A bid and an offer shall be processed in the Trading System in the manner set forth below, within a range of the corresponding volume between them.

- (a) When a bid is submitted at a price higher than the price of any of the offers then submitted, the bid shall be processed in the volume corresponding to such offer or offers, subject to the lower limit set on the bid.
- (b) When an offer is submitted at a price lower than the price of any of the bids then submitted, the offer shall be processed in the volume corresponding to such bid or bids, subject to the higher limit set on the offer.

(2) Types of modifiers

A Trading Member may apply any of the following modifiers for any bid or offer submitted by it; provided, however, that a Trading Member shall not apply the modifier set in Article 3.1(2)(a) Packs and Bundles (these are strategy trades listed in Appendix 1) submitted for a strategy trade.

(a) Good Till Cancelled (GTC)

A modifier to cause the bid or offer to become null and void at the close of the evening session of a specified business day (or, if no business day is designated for that purpose, the business day on which the last trading day's day session falls)

(b) Good in Session (GIS)

A modifier to cause the bid or offer which is submitted during a pre-open period or a day session to become null and void at the close of the day session, and cause the bid or offer which is submitted during an evening session to become null and void at the close of the evening session

(c) On-Open modifier set forth in Article 2(43) of the Trading Regulations

(3) Modifiers which may be applied to a limit order

The modifier which may be applied to a limit order shall be those listed in Article 3.1(2)(a) or 3.1(2)(b) above

(4) Modifiers applied to a market order

The modifier listed in Article 3.1(2)(a) or 3.1(2)(b) hereof may not be applied to any market order. Any market order which is submitted during a pre-open period shall be subject without exception to the On-Open modifier listed in Article 3.1(2)(c) hereof.

(5) Expiration of a bid or offer

A bid or offer inputted into the Trading System which remains unmatched shall expire as set forth below; provided, however, that, when market derivatives transactions are suspended pursuant to any Item of Article 14 of the Trading Regulations, the expiry of the bid or offer may be designated by the Exchange from time to time.

(a) A limit order shall become null and void at the close of the evening session of the business day on which the limit order is inputted into the Trading System, provided, however, that if any condition is imposed on the expiration thereof, such condition shall be observed.

(b) A market order (except for On-Open order) shall become null and void immediately.

(c) An On-Open order shall be treated as per the provision of Article 10.4 of the Trading Regulations.

(6) Prohibition of market order, etc.

Whenever the Exchange determines it necessary in light of state of bids and offers then submitted and other factors concerned, the Exchange may prohibit any Trading Member from submitting market orders (including On-Open orders).

3.2 For the purpose of application of Article 3.1 above in connection with strategy trades, the term “price” referred to in Item (1) of the same Article shall be replaced with “strategy price”, and “offer” and “bid” referred to therein shall be replaced with “strategy offer” and “strategy bid” respectively.

**Article 3-2. Correction to Whether for Customer Account or for House Account**

3-2.1 When a Trading Member intends to make correction to the whether for a customer account or for a house account referred to in Article 11 or 28-2 of the Trading Regulations due to a truly unavoidable reason, the Trading Member shall (after obtaining prior consent from its Designated Clearing Member, if such Trading Member is a Non-clearing Member) notify the Exchange of the contents of the correction by 10:00 a.m. of the business day immediately following the business day on which there occurs the day session of the trading day on which the market derivatives contract or L-T Link Position after the correction to whether for a customer account or for a house account is executed or arises. Notwithstanding the foregoing, no correction shall be made to whether for a customer account or for a house account on the last trading day of the relevant contract month.

3-2.2 The Trading Member who has made a correction notice set forth in Article 3-2.1 above shall confirm the results of the correction immediately after the same is carried out by the Exchange.

**Article 4. Period for Suspension of Market Derivatives Transaction**

Market derivatives transactions shall be suspended in the case listed in any Item of Article 14 of the Trading Regulations for a period deemed necessary by the Exchange from time to time.

**Article 4-2. Publication or Notice of Invalidation**

The matters published or communicated by the Exchange pursuant to Articles 14-2-2 and 14-3 of the Trading Regulations shall be the name of the Trading Member who executed the order of Error Trade and the other matters set forth below. Provided, however, if the Exchange deems it necessary, any particulars to be published or communicated may be added or omitted.

- (1) When an Interest Rate Futures contract is invalidated
  - (a) Type of the market derivatives contract
  - (b) Contract month or series
  - (c) Whether it is a sale contract or a purchase contract
  - (d) Trading volume
  - (e) Volume for option exercise
  - (f) Contract price
  - (g) Time for execution of the invalidated contract
- (2) When an FX Daily Futures contract is invalidated
  - (a) Type of the market derivatives contract
  - (b) Whether it is a sale contract or a purchase contract

- (c) Trading volume
  - (d) Contract price
  - (e) Time for execution of the invalidated contract
- (3) When an Equity Index Daily Futures contract is invalidated
- (a) Type of the market derivatives contract
  - (b) Whether it is a sale contract or a purchase contract
  - (c) Traded volume
  - (d) Contract price
  - (e) Time for execution of the invalidated contract
- (4) When an FX Clearing Futures contract is invalidated
- (a) Type of the market derivatives contract
  - (b) Whether it is a sale contract or a purchase contract
  - (c) Trading volume
  - (d) Contract price
  - (e) Time for execution of the invalidated contract

### **Article 4-3      Invalidation of Contract**

The invalidation of a contract in accordance with Article 14-2.2 of the Trading Regulations shall be made after the publication in accordance with Article 14-2-2 of the Trading Regulations.

### **Article 5.            Correction to Contents of Bid or Offer**

Correction to the inputted contents pursuant to Article 15.3 of the Trading Regulations shall be made in the following manner.

- (1)      Correction to a bid or offer

The concerned Trading Member shall cancel the bid or offer and then input a correct bid or offer in accordance with Article 11 of the Trading Regulations.

- (2)      Correction of the volume for a bid or offer

The bid or offer shall be cancelled to the extent of the volume of reduction.

**Article 6. Application for Approval of Market Derivatives Transaction for Error Trade Correction, etc.**

If a Trading Member intends to obtain the Exchange's approval for Error Trade Correction for a market derivatives contract (excluding FX Daily Futures contract and Equity Index Daily Futures contract) pursuant to Article 19 of the Trading Regulations, the Trading Member shall submit a specified form of application to the Exchange not later than 10:00 a.m. of the business day immediately following the business day on which the Error Trade or other event in question has occurred.

**Article 6-2. Types of Strategy Trade, etc.**

The types of combinations of the multiple contracts in strategy trades set forth in Article 20-2.1 of the Trading Regulations and the pricing formulas and other matters to be prescribed in connection with strategy trades set forth in Article 20-2.2 of the Trading Regulations shall be as per in Appendix 1 "Types of Strategy Trades for Market Derivatives Contracts" attached hereto.

**Article 6-3. Other Particulars for Strategy Trade**

The matters to be prescribed by the Exchange in connection with strategy trades pursuant to Article 20-2.4 of the Trading Regulations shall be as follows.

(1) Implied-out Function

For the purpose of enhancing the probability of matching of bids and offers submitted by Trading Members, the Exchange shall match any bid or offer inputted into the Trading System for a "calendar spread" strategy trade and a bid or offer submitted for a given market derivatives contract that would be capable of being traded in such strategy trade, in accordance with the calculation made by the Exchange, in order to generate the counterpart offer or bid for the other market derivatives contract that would be capable of being traded in such strategy trade.

(2) Implied-in Function

For the purpose of enhancing the probability of matching of bids and offers submitted by Trading Members, the Exchange shall match a bid and an offer inputted into the Trading System which are submitted for any of the market derivatives contracts that would be capable of being traded in a strategy trade, in accordance with the calculation made by the Exchange, in order to generate the counterpart bid or offer for such strategy trade.

(3) Whenever the Exchange deems it necessary to do so due to failure in the Trading System or under other circumstances, the Exchange may suspend the implied-out function or implied-in function set forth in Items (1) and (2) above.

**Article 6-3-2. Special Provisions concerning Precedence of Bids and Offers matched in accordance with Principle of Price/Time Priority**

6-3-2.1 A bid or offer for market derivatives contract generating in accordance with Article 6-3 (1) above shall be subordinated to the other bids or offers placed as limit orders of the same price which are to be matched in accordance with principle of price/time priority, regardless of the timing of the order therefor being placed.

6-3-2.2 A bid or offer for strategy trade generating in accordance with Article 6-3 (2) above shall be subordinated to the other bids or offers of the same strategy price which are to be matched in accordance with principle of price/time priority, regardless of the timing of the order therefor being placed.

6-3-2.3 If there is more than one (1) bid or offer for market derivatives contract generating in accordance with Article 6-3 (1) above of the same price, an earlier order shall take precedence over the later order. The foregoing provision shall apply equally with respect to a bid or offer for strategy trade generating in accordance with Article 6-3 (2) above.

**Article 6-4. Particulars for Application for Block Trade**

The matters to be prescribed by the Exchange in connection with block trade pursuant to Article 20-5.2 of the Trading Regulations shall be as follows.

(1) Method of application

A Trading Member shall apply for a block trade by inputting the following information into the Trading System through the Member's terminal device.

- (a) Name of the applicant Trading Member
- (b) Type of the market derivatives contract
- (c) Contract month
- (d) Price
- (e) Volume designated for the relevant bid or offer
- (f) Whether for a customer account or for a house account for the sale contract or purchase contract
- (g) The counterparty Trading Member (if the applicant Trading Member intends to execute the market derivatives contract with another Trading Member)

(2) Restriction on pricing

The price listed in (d) of Item (1) above shall be in a fair and reasonable amount to be determined based on the trading situation at the Exchange at the time of the block trade application.

(3) Minimum volume

The volume of market derivative contract which shall be executed at a block trade shall be not less than one hundred (100) times the trading unit.

(4) Conditions for approval

If the Exchange confirms that the application submitted by a Trading Member satisfies all of the following conditions, the Exchange shall approve execution of the market derivatives contract based on the contents of such application.

- (a) All of the information set forth in Item (1) above are clearly specified in the application.
- (b) The price set forth in (d) of Item (1) above is the price set forth in Item (2) above.
- (c) The minimum volume requirement set forth in Item (3) above shall be satisfied.
- (d) It is not obviously inappropriate in any other respects to allow execution of the market derivatives contract based on the application.

(5) Notice of approval or disapproval

If the Exchange approves execution of the market derivatives contract pursuant to Item (4) above, the Exchange shall communicate its approval or disapproval to the applicant Trading Member. If the Exchange fails to give a notice of either approval or disapproval by the close of the evening session of the business day on which the application is submitted to the Exchange, the Exchange shall be deemed to have disapproved the application.

**Article 6-5. Period for Suspension of Block Trade**

A block trade shall be suspended in the case listed in any Item of Article 20-9 of the Trading Regulations for a period deemed necessary by the Exchange from time to time.

**Article 6-6. Give-up Notification Period**

The period for give-up notification to be prescribed by the Exchange pursuant to Article 20-16 of the Trading Regulations shall be a period commencing at the time when the market derivatives contract to be given up is executed or the L-T Link Position to be given up arises and ending at 4:45 p.m. of the business day on which there occurs the day session of the trading day on which such market derivatives contract is executed or such L-T Link Position arises. As to the last trading day of a contract month, however, the give-up notification shall be submitted not later than 3:45 p.m. of the business day on which the last trading day's day session falls.

**Article 6-7. Take-up and Other Notification Period**

The period to be prescribed by the Exchange pursuant to Article 20-16 of the Trading Regulations for notification pursuant to Article 20-14.1 of the Trading Regulations (hereinafter called "take-up notification, etc.") shall be a period commencing at the time when the Exchange gives the notification under Article 20-13.2 of the Trading Regulations and ending at 5:00 p.m. of the business day on which there occurs the day session of the trading day on which the market derivatives transaction to be given up is executed or the L-T Link Position to be given up arises. As to the last trading day of a contract month, however, the take-up notification, etc. shall be submitted after the time when the Exchange gives the said notification, but not later than 4:00 p.m. of the business day on which the last trading day's day session falls.

**Article 6-8. Correction to Contents of Give-up Notifications, etc.**

The matters to be prescribed by the Exchange pursuant to Article 20-16 of the

Trading Regulations for correction to give-up notifications and take-up notifications, etc. (hereinafter collectively called “give-up notification, etc.”) shall be as set forth below.

- (1) Correction to the contents of give-up notification, etc.

If a Trading Member intends to make correction to the give-up notification, etc. submitted by it with respect to a market derivatives contract or an L-T Link Position given up based on a Customer’s order due to a truly unavoidable reason, the Trading Member shall (together with its Designated Clearing Member if such Trading Member is a Non-clearing Member) notify the Exchange to that effect, in the manner prescribed by the Exchange by 10:00 a.m. of the third business day after the business day on which there occurs the day session of the trading day on which such given up market derivatives contract is executed or such given up L-T Link Position arises; provided, however, that no correction shall be made to a give-up notification, etc. for any contract month on its last trading day.

- (2) Confirmation of results of correction to the contents of give-up notification, etc.

A Trading Member who has made a notification of correction to the give-up notification, etc. set forth in Item (1) above shall immediately confirm the results of the correction made by the Exchange.

#### **Article 7. Confirmation of Details of Overseas Position**

With respect to a statement of overseas position set forth in Article 21.1 of the Trading Regulations, the Exchange shall confirm:

- (1) that the code number of the Trading Member transmitted with respect to each overseas position indicated on the statement corresponds with the code number of the same Trading Member which is already registered in the computer or other system of the Exchange;
- (2) that the category of the contract month of each overseas position

indicated on the statement corresponds with the contract month set forth in Article 4 of the Trading Regulations;

- (3) that the distinction of sale contract/purchase contract, the transaction code number, the volume, the figure, etc. and the trading days of the overseas financial instruments market operated by the Linked Overseas Exchange are identified with respect to each overseas position indicated on the statement;
- (4) that the calendar day immediately preceding the day on which the statement is transmitted to the Exchange (in Japan time) corresponds with the latest trading day of the respective overseas position referred to in Item (3) above;
- (5) that, with respect to all the overseas positions indicated on the statement, the total volume sold corresponds with the total volume purchased for the respective contract month communicated to the Exchange; and
- (6) other matters that the Exchange deems necessary to confirm.

**Article 8. Time for Notice of L-T Link Position by Exchange**

The time to be designated by the Exchange pursuant to Article 26 of the Trading Regulations shall be 9:00 a.m.

**Article 9. Period for Non-dispatch of Notice by Exchange**

The period during which the Exchange shall refrain from dispatching the notice set forth in Article 21.1 of the Trading Regulations in the case listed in any Item of Article 27 thereof shall be a period to be determined by the Exchange from time to time.

**Article 10. Notification of Doubts about L-T Link Position Details**

If a Trading Member receiving a notice of the L-T Link Position details or a notice of non-arising of L-T Link Position intends to notify the Exchange of any doubt as to such notice pursuant to Article 28.4 of the Trading Regulations, the Trading Member shall file a notification with the Exchange in a prescribed form.

**Article 11. Deadline for Submission of Notification on Whether for Customer Account or for House Account of L-T Link Position**

The deadline to be prescribed by the Exchange pursuant to Article 28-2.3 of the Trading Regulations shall be 5:00 p.m. of the business day on which there occurs the day session of the trading day on which the L-T Link Position arises.

**Article 12. (Deleted)**

**Article 13. Reporting on Market Derivatives Contracts**

The form and other manners to be prescribed by the Exchange pursuant to Article 76 of the Trading Regulations shall be determined by the Exchange from time to time, paying due regard to the status of arising of market derivatives contracts or L-T

Link Positions and other factors.

**Article 13-2. Method Utilizing Information and Telecommunication Technology for Notice to Customers**

13-2.1 The method separately prescribed by the Exchange referred to in Article 79 of the Trading Regulations shall be any one of the methods set forth in Item (1) or (2) below.

- (1) An electronic data processing and network organization as set forth in Item (a) or (b) below shall be utilized.
  - (a) Transmission will be made via telecommunication lines connecting computers used by a Trading Member and those used by a Customer and the contents so transmitted will be recorded into files stored in the computers used by a recipient.
  - (b) The matters recorded into files stored in the computers used by a Trading Member that would otherwise be described in the notice referred to in Article 79 of the Trading Regulations will be made available for access by a Customer via telecommunication lines and those matters will be downloaded into files stored in the computers used by the Customer.
- (2) The matters that would otherwise be described in the notice referred to in Article 79 of the Trading Regulations shall be recorded into such files that will be controlled by magnetic disc, CD-ROM or any other equivalent media capable of reliably recording some contents, and the recording media containing such files shall be dispatched.

13-2.2 Each of the methods set forth in Article 13-2.1 above shall be the one enabling a Customer to output the contents recorded into the files in paper form.

13-2.3 An “electronic data processing and network organization” referred to in Article 13-2.1(1) above means an electronic data processing and network organization connecting computers used by a Trading Member and those used by its Customer by

means of telecommunication lines.

**Article 14. Recordkeeping for Market Derivatives Transactions based on Customer's Order**

14.1 The records to be prescribed by the Exchange pursuant to Article 79-2 of the Trading Regulations shall be the ones set forth below.

- (1) Record of bids and offers acquired from the Member's terminal devices
- (2) "Member-wise Daily Trade Statements" listing transaction results acquired from the Member's terminal devices
- (3) "Member-wise Daily Trade Statements" listing given up transactions acquired from the Member's terminal devices
- (4) "Member-wise Daily Trade Statements" listing taken-up transactions acquired from the Member's terminal devices
- (5) "Member-wise Daily Trade Statements" listing the transactions subject to position transfer acquired from the Member's terminal devices, or an output of position transfer enquiry via the Member's terminal devices
- (6) "Statements of Linked Clearing" or "Member-wise Daily Trade Statements" describing the transactions related to L-T Link Positions, which shall be acquired from the Member's terminal devices

14.2 The records set forth in Article 14.1(1) above shall record the matters set forth in Appendix 2 attached hereto.

14.3 A Trading Member may keep the records set forth in Article 14.1 above in the form of output, or microfilm, floppy disk or any other electronic media.

14.4 The records set forth in Article 14.1 above shall be kept for five (5) years.

**Article 14-2. Method Utilizing Information and Telecommunication Technology for Notice to Trading Members**

14-2.1 The method separately prescribed by the Exchange referred to in Article 81.2 of the Trading Regulations shall be any one of the methods set forth in Item (1) or (2) below.

- (1) An electronic data processing and network organization as set forth in Item (a) or (b) below shall be utilized.
  - (a) Transmission will be made via telecommunication lines connecting computers used by the Exchange and those used by a Trading Member and the contents so transmitted will be recorded into files stored in the computers used by a recipient.
  - (b) The matters recorded into files stored in the computers used by the Exchange that are set forth in the Appendix attached to the Trading Regulations will be made available for access by a Trading Member via telecommunication lines and those matters will be downloaded into files stored in the computers used by the Trading Member.
- (2) The matters that would otherwise be described in the notice referred to in the Appendix attached to the Trading Regulations shall be recorded into such files that will be controlled by magnetic disc, CD-ROM or any other equivalent media capable of reliably recording some contents, and the recording media containing such files shall be dispatched.

14-2.2 An “electronic data processing and network organization” referred to in Article 14-2.1(1) above means an electronic data processing and network organization connecting computers used by the Exchange and those used by a Trading Member by means of telecommunication lines.

**Article 15. Calculation Method, etc. for Official Closing Price**

15.1 The Official Closing Price Indicative Period defined in Article 82.2 of the Trading Regulations shall be a specific period determined by the Exchange from time to time, which shall fall within the period from the opening of the relevant business day's day session to the close of the same business day's evening session.

15.2 If no contract is executed for a specific contract month during the Official Closing Price Indicative Period set forth in Article 82.3 of the Trading Regulations, the Official Closing Price for such contract month shall be calculated in the following manner.

- (1) The Official Closing Price for the said specific contract month shall be in the amount of the Official Closing Price for the latest contract month as adjusted based on the difference between the daily settlement price for the said specific contract month calculated on the concerned business day and the daily settlement price for the said latest contract month calculated on the same business day.
- (2) If the price cannot be calculated in accordance with Article 15.2(1) above or if the Exchange determines that the price calculated in accordance with Article 15.2(1) above is inappropriate, the Exchange shall determine the Official Closing Price for the said specific contract month from time to time by referring to the prevailing market quotes and some other factors.

**Article 16. Regulatory Measures on Market Derivatives Transactions, etc.**

The Exchange may take necessary regulatory measures including cancelation of bids or offers based on Article 85 of the Trading Regulations.

**SUPPLEMENTARY PROVISIONS**

The amended Enforcement Regulations shall take effect as from February 27,2017.

**SUPPLEMENTARY PROVISIONS**

The amended Enforcement Regulations shall take effect as from July 24, 2017.

**SUPPLEMENTARY PROVISIONS**

The amended Enforcement Regulations shall take effect as from February 26, 2018.

**SUPPLEMENTARY PROVISIONS**

The amended Enforcement Regulations shall take effect as from May 29, 2018.

**SUPPLEMENTARY PROVISIONS**

The amended Enforcement Regulations shall take effect as from September 30, 2019.

**SUPPLEMENTARY PROVISIONS**

The amended Enforcement Regulations shall take effect as from April 12, 2021.

**SUPPLEMENTARY PROVISIONS**

The amended Enforcement Regulations shall take effect as from March 20, 2023.

## Appendix 1 Types of Strategy Trades for Market Derivatives Contracts

| Type of strategy trade | Strategy sale   | Strategy purchase   | How to calculate strategy price   |
|------------------------|---|---|---|
| Calendar Spread        | Sell one contract for a near month, and purchase one contract for a far month.  | Purchase one contract for a near month, and sell one contract for a far month.  | The traded price of the contract for the near month, <i>minus</i> the traded price of the contract for the far month.   |
| Packs                  | Sell one contract for each of four or more consecutive quarterly months; provided that the first one of such consecutive quarterly months shall be the 1st, 5th, 9th, 13th or 17th month on a quarterly month basis.  | Purchase one contract for each of four or more consecutive quarterly months; provided that the first one of such consecutive quarterly months shall be the 1st, 5th, 9th, 13th or 17th month on a quarterly month basis.  | An average of the respective figure obtained by subtracting the previous business day's daily settlement price for each contract month from the traded price for such contract month. |
| Bundles                | Sell one contract for each of any specified number of consecutive contract months; provided that (i) the first one of such consecutive quarterly months shall be the 1st month on a quarterly month basis and (ii) the specified number as aforesaid shall be eight, twelve, sixteen or twenty. | Purchase one contract for each of any specified number of consecutive contract months; provided that (i) the first one of such consecutive quarterly months shall be the 1st month on a quarterly month basis and (ii) the specified number as aforesaid shall be eight, twelve, sixteen or twenty. | An average of the respective figure obtained by subtracting the previous business day's daily settlement price for each contract month from the traded price for such contract month. |

- (Notes)
1. The combination of the contracts for strategy trade shall be composed of market derivatives contracts of the same type.
  2. A “near month” means a contract month for which the last trading day falls in an earlier month.
  3. A “far month” means a contract month for which the last trading day falls in a later month.
  4. A “quarterly month” means a contract month for which its final settlement date falls in any of March, June, September and December.
  5. For Three-month TONA futures, “Calendar Spreads” shall be available as strategy trade.

## Appendix 2 Contents of Record for Bids and Offers

| Matters to be recorded |   |
|------------------------|---|
| 1.                     | Types of financial indices, etc. and contract months or series specified in the Special Provisions for Options                    |
| 2.                     | Distinction of sale/purchase contract   |
| 3.                     | Order price or the price prescribed by the Special Provisions for Options (and the fact that it is a market order, if applicable) |
| 4.                     | Volume  |
| 5.                     | Date and time of acceptance in the Trading System   |
| 6.                     | Order code number   |
| 7.                     | Fact that it is based on a Customer's order   |
| 8.                     | Type of a strategy trade  |
| 9.                     | Fact that it is a block trade, if applicable  |
| 10.                    | Type(s) of modifier(s), if any  |