

[English Translation]

**ENFORCEMENT REGULATIONS FOR
SPECIAL PROVISIONS FOR TRADING REGULATIONS FOR
EXCHANGE FX MARGIN TRANSACTIONS**

TOKYO FINANCIAL EXCHANGE INC.

(This is an English translation of the Enforcement Regulations for Special Provisions for Trading Regulations for Exchange FX Margin Transactions, 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 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
Special Provisions for Trading Regulations for Exchange FX Margin Transactions
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Article 1. Purpose

These Enforcement Regulations set forth the matters to be prescribed or designated by the Exchange pursuant to the Trading Regulations and the Special Provisions for Trading Regulations for Exchange FX Margin Transactions (hereinafter called the “FX Special Provisions”).

Article 2. Period for Accepting Cancellation of Bids and Offers

2.1 Cancellation of bids or offers set forth in Article 5.3 of the FX Special Provisions shall be acceptable during the period from the opening of the pre-open period to the close of the Market Trading Period.

2.2 Whenever the Exchange deems it necessary, it may accept cancellation of bids and offers during the hours designated by the Exchange from time to time in addition to the period set forth in Article 2.1 above.

Article 3. Particulars for Bids and Offers

The matters to be prescribed by the Exchange in connection with bids and offers for Exchange FX Margin contracts based on the market-making method pursuant to Article 20.9 of the FX Special Provisions shall be as follows.

(1) Matching process of MM bids/offers and non-MM bids/offers

An MM bid or offer or a non-MM bid or offer shall be processed in the FX Trading and Clearing System in the manner set forth below. In this case, an MM bid/offer shall be processed within a range of the volume of the corresponding non-MM bid/offer and a non-MM bid/offer shall be processed within a range of the volume of the corresponding MM bid/offer.

- (a) When a non-MM bid is submitted at a price higher than the price of any of the MM offers then submitted, the non-MM bid shall be processed as a non-MM bid corresponding to the respective MM offer so far submitted, subject to the price limit set on the non-MM bid.
- (b) When a non-MM offer is submitted at a price lower than the price of any of the MM bids then submitted, the non-MM offer shall be processed as a non-MM offer corresponding to the respective MM bid so far submitted, subject to the price limit set on the non-MM offer.
- (c) When an MM bid is submitted at a price higher than the price of any of the non-MM offers then submitted, the MM bid shall be processed as an MM bid corresponding to the respective

non-MM offer so far submitted, subject to the price limit set on the MM bid.

- (d) When an MM offer is submitted at a price lower than the price of any of the non-MM bids then submitted, the MM offer shall be processed as an MM offer corresponding to the respective non-MM bid so far submitted, subject to the price limit set on the MM offer.
- (2) IC (Immediate and Cancel) under which a bid or offer becomes null and void if the bid or offer is not matched for its entire volume simultaneously with the submission of the bid or offer, and the unmatched portion of the bid or offer becomes null and void if the bid or offer is matched in part only simultaneously with the submission of the bid or offer, may be applied to any limit order, except those accepted in a pre-open period.
- (3) OCO (One Cancels the Other) under which, if one of the bid or offer combined with the other bid or offer is matched in part only, the volume of such other bid or offer is decreased by the volume so matched, may be applied to each bid or offer in the combination set forth below.
 - (a) Combination of a limit offer and a trigger market offer in the same volume
 - (b) Combination of a limit bid and a trigger market bid in the same volume
- (4) Expiration of a bid or offer

A bid or offer inputted into the FX Trading and Clearing System which remains unmatched shall remain effective throughout the duration designated as to the bid or offer, with the exceptions provided for in (a) through (d) below; provided, however, that, when Exchange FX margin 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) An MM bid or offer shall become null and void at the close of the Market Trading Period of the trading day on which it is inputted into the FX Trading and Clearing System.
- (b) An IC market order and a bid or offer to which IC is applied shall become null and void immediately, if there is no corresponding MM bid or offer when the IC market order is inputted into the FX Trading and Clearing System.

- (c) A loss-cut order shall become null and void at the close of the Market Trading Period of the trading day on which it is inputted into the FX Trading and Clearing System.
- (d) With respect to a bid or offer whose duration includes an Exchange Holiday as defined in Article 6.1 of the FX Special Provisions or an ad hoc holiday as defined in Article 6.2 thereof, the bid or offer shall become null and void at the close of the Market Trading Period of the trading day immediately preceding the Exchange Holiday or ad hoc holiday whichever falls first after the submission of the bid or offer.

Article 4. Correction to Contents of Bid or Offer

4.1 Correction to the inputted contents pursuant to Article 23.3 of the FX Special Provisions shall be made in the following manner.

- (1) Correction to a bid or offer

The concerned FX Margin Trading Member shall cancel the bid or offer and then input a correct bid or offer in accordance with Article 20 of the FX Special Provisions.

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

- (a) Decrease of the volume

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

- (b) Increase of the volume

The bid or offer shall be cancelled in its entire volume and then a new bid or offer shall be inputted in a correct volume in accordance with Article 20 of the FX Special Provisions.

4.2 Notwithstanding the provision of Item (a) of Article 4.1(2) above, if a trigger order is matched in part, the volume of the unmatched portion of the said trigger order shall be cancelled entirely and a new trigger order or new multiple trigger orders shall be inputted in a correct volume in accordance with Article 20 of the FX Special Provisions.

Article 5. Application for Approval of Exchange FX Margin Transaction for Error Trade Correction, etc.

If an FX Margin Trading Member intends to obtain the Exchange's approval for Error Trade Correction pursuant to Article 19 of the Trading Regulations, the FX Margin Trading Member shall submit a specified form of application to the Exchange not later than the close of the Market Trading Period of the trading day on which the Error Trade or other event in question has occurred.

Article 6. Contract Prices, etc. under the Position Adjustment Program

6.1 The contract price of an Exchange FX Margin contract on a specific trading day under the position adjustment program set forth in Article 26.1 of the FX Special Provisions shall be equal to the relevant FX settlement price as set forth in Article 90-2.1 of the Clearing Regulations on the same trading day.

6.2 With respect to Exchange FX Margin contracts to be executed under the position adjustment program, their volume to be prescribed by the Exchange for each FX Market Maker pursuant to Article 26.2 of the FX Special Provisions shall be as follows.

- (1) When the total volume of all the FX Market Makers' short positions exceeds the total volume of all the FX Market Makers' long positions at the close of the Market Trading Period of a specific trading day
 - (a) For an FX Market Maker holding a short position

The volume calculated by allocating the total volume of all the FX Market Makers' long positions to the respective FX Market Maker in proportion to the volume of its short position(s)
 - (b) For an FX Market Maker holding a long position

The volume of long position(s) held by the respective FX Market Maker
- (2) When the total volume of all the FX Market Makers' short positions falls below the total volume of all the FX Market Makers' long positions at the close of the Market Trading Period of a specific trading day
 - (a) For an FX Market Maker holding a short position

The volume of short position(s) held by the respective FX Market Maker
 - (b) For an FX Market Maker holding a long position

The volume calculated by allocating the total volume of all the FX Market Makers' short positions to the respective FX Market Maker in proportion to the volume of its long position(s)

6.3 Matters that the Exchange considers necessary to stipulate in connection with the calculation of the proportionately allocated volumes under Article 6.2(1)(a) or 6.2(2)(b) above shall be prescribed by the Exchange from time to time.

Article 7. Method Utilizing Information and Telecommunication Technology for Notice to Customers

7.1 The method separately prescribed by the Exchange referred to in Article 30 of the FX Special Provisions 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 an FX Margin Trading Member and those used by an FX Margin 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 an FX Margin Trading Member that would otherwise be described in the notice referred to in Article 30 of the FX Special Provisions will be made available for access by an FX Margin Customer via telecommunication lines and those matters will be downloaded into files stored in the computers used by the FX Margin Customer.
- (2) The matters that would otherwise be described in the notice referred to in Article 30 of the FX Special Provisions 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.

7.2 Each of the methods set forth in Article 7.1 above shall be the one enabling an FX Margin Customer to output the contents recorded into the files in paper form.

7.3 An "electronic data processing and network organization" referred to in Article 7.1(1) above means an electronic data processing and network organization connecting computers used by an FX Margin Trading Member and those used by its FX Margin Customer by means of telecommunication lines.

Article 8. Recordkeeping for Exchange FX Margin Transactions based on Customer's Order

8.1 The records to be prescribed by the Exchange pursuant to Article 31 of the FX Special Provisions shall be the records of bids and offers and trading results acquired from the Member's terminal devices

8.2 The records set forth in Article 8.1 above shall be composed of the matters set forth in Appendix 1 "Contents of Record for Bids and Offers and Trading Results" attached hereto.

8.3 An FX Margin Trading Member may keep the records set forth in Article 8.1 above in the form of output or onto a microfilm, floppy disk or any other electronic media.

8.4 The records set forth in Article 8.1 above shall be kept for five (5) years.

Article 9. Method Utilizing Information and Telecommunication Technology for Notice to FX Margin Trading Members

9.1 The method separately prescribed by the Exchange referred to in Article 32 of the FX Special Provisions 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 an FX Margin 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 FX Special Provisions will be made available for access by an FX Margin Trading Member via telecommunication lines and those matters will be downloaded into files stored in the computers used by the FX Margin Trading Member.
- (2) The matters that would otherwise be described in the notice referred to in the Appendix attached to the FX Special Provisions 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.

9.2 An "electronic data processing and network organization" referred to in Article 9.1(1) above means an electronic data processing and network organization connecting

computers used by the Exchange and those used by an FX Margin Trading Member by means of telecommunication lines.

SUPPLEMENTARY PROVISIONS

The amended Enforcement Regulations shall take effect as from October 27, 2008.

Appendix 1 Contents of Record for Bids and Offers and Trading Results

Matters to be recorded(Article 8)	
1.	Types of Exchange FX Margin contacts
2.	Distinction of sale/purchase contract
3.	Price (and the fact that it is based on an IC market order, trigger market order or loss-cut order, if applicable)
4.	Trigger price, if applicable
5.	Volume of a bid or offer
6.	Date and time of acceptance of an order
7.	Order code number
8.	Fact that it is based on an FX Margin Customer's order
9.	Type(s) of modifier(s), if any