

[English Translation]

**SPECIAL PROVISIONS FOR TRADING REGULATIONS FOR  
EQUITY INDEX DAILY FUTURES TRANSACTIONS**

**TOKYO FINANCIAL EXCHANGE INC.**

(This is an English translation of the Special Provisions for Trading Regulations for Equity Index Daily Futures Transactions, the original of which 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 Special Provisions shall be decided in accordance with the Japanese language text. Tokyo Financial Exchange Inc. (“TFX”) assumes no responsibility for accuracy, correctness, or contents of this English text.)



Special Provisions for Trading Regulations for  
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# CHAPTER I

## GENERAL PROVISIONS

### **Article 1. Purpose**

1.1 These Special Provisions set forth the special provisions supplementing the Trading Regulations with respect to Equity Index Daily Futures transactions.

1.2 Any matters not set forth in these Special Provisions shall be governed by the Trading Regulations.

1.3 The amendment to Chapter II shall be effected by obtaining the consent of the Self-regulatory Committee.

### **Article 2. Definitions, etc.**

2.1 In these Special Provisions, the terms listed below shall have the meanings ascribed to them in the respective Items below.

- (1) A “sale contract” means an Equity Index Daily Futures contract under which, if the Actual Figure (meaning the actual figure, etc. of the relevant financial index at a certain time in the future; the same definition shall apply in the immediately following Item) falls short of the contract figure (meaning the figure agreed between the parties as the financial index in advance. The same definition shall apply in the immediately following Item), the Equity Index variation excluding the daily interest rate amount and the dividend amount set forth in the Clearing Regulations will be greater than zero, and if the Actual Figure exceeds the contract figure, the amount of Equity Index variation excluding the daily interest rate amount and the dividend amount set forth in the Clearing Regulations will be less than zero, pursuant to the conditions and in the manners prescribed by the Exchange.

- (2) A “purchase contract” means an Equity Index Daily Futures contract under which, if the Actual Figure exceeds the contract figure, the amount of Equity Index variation excluding the daily interest rate amount and the dividend amount set forth in the Clearing Regulations will be greater than zero, and if the Actual Figure falls short of the contract figure, the amount of Equity Index variation excluding the daily interest rate amount and the dividend amount set forth in the Clearing Regulations will be less than zero, pursuant to the conditions and in the manners prescribed by the Exchange.
- (3) “Bid and (or) offer” means a declaration of intent by a party of the upper or lower limit of the price at which the party intends to execute an Equity Index Daily Futures contract.
- (4) “Equity Index Market Maker” means an Equity Index Daily Futures Trading Member, etc. engaging in trading at the Exchange’s market, who is bound by the obligations to submit a bid and offer (or bids and offers) for Equity Index Daily Futures contracts continuously and execute the contracts based on the volume(s) of such bid(s) and offer(s).
- (5) “Non-Equity Index Market Maker” means an Equity Index Daily Futures Trading Member, etc. engaging in trading at the Exchange’s market, who is not bound by the obligations of Equity Index Market Maker.
- (6) An “MM offer” means a declaration of intent by an Equity Index Market Maker of the lower limit of the price at which the Equity Index Market Maker intends to execute a sale contract in the capacity of Equity Index Market Maker.
- (7) An “MM bid” means a declaration of intent by an Equity Index Market Maker of the upper limit of the price at which the Equity Index Market Maker intends to execute a purchase contract in the capacity of Equity Index Market Maker.
- (8) “MM bid and (or) offer” means either or both of an MM bid and an MM offer.

- (9) A “non-MM offer” means an offer which is not an MM offer.
- (10) A “non-MM bid” means a bid which is not an MM bid.
- (11) “Non-MM bid and (or) offer” means either or both of a Non-MM bid and a Non-MM offer.
- (12) The “Market-Making Method” means a method to cause matching of an MM offer and a non-MM bid, or an MM bid and a non-MM offer, and to cause the execution of a contract between the said MM offer and the non-MM bid, or between the said MM bid and the non-MM offer, pursuant to Article 22 hereof.
- (13) “Exchange Holiday” means any of the days as defined in Article 6.1, Article 6.2 and Article 6.3 hereof in accordance with a type of Equity Index Daily Futures transactions.
- (14) A “business day” means a day as defined in Article 7 hereof in accordance with a type of Equity Index Daily Futures transactions.
- (15) A “trading day” means a day as defined in Article 8 hereof in accordance with a type of Equity Index Daily Futures transactions.
- (16) A “banking day” means a day other than the banking holidays defined in Article 15, Paragraph 1 of the Banking Act (Act No. 59 of 1981).
- (17) “Matching” means matching of an MM bid (or offer) and a non-MM offer (or bid) on an individual auction basis in accordance with Article 22 hereof.
- (18) A “pre-open period” means a period during which bids and offers are received but no Matching is conducted, as set forth in Article 5.1(1), Article 5.2(1) and Article 5.3(1) hereof.
- (19) “Market Trading Period” means a period for Matching of bids and offers as defined in Article 5.1(2), Article 5.2(2) and Article 5.3(2) hereof.

- (20) “Equity Index Daily Futures Trading Member(s), etc.” means Equity Index Daily Futures Trading Member(s) and/or Equity Index Daily Futures Remote Trading Member(s).
- (21) An “overseas financial instruments market” means an overseas financial instruments market defined in Article 2, Paragraph 8, Item 3 (b) of the Financial Instruments and Exchange Act (Act No. 25, 1948; hereinafter called the “Act”).

2.2 Indication of time in these Special Provisions shall be subject to the Japan Standard Time.

2.3 Indication of date and day of the week in these Special Provisions shall be subject to the Japanese calendar.

## **CHAPTER II.**

### **TYPES OF EQUITY INDEX DAILY FUTURES CONTRACTS AND CONTRACT DAYS, ETC.**

#### **Article 3. Types and Financial Indices of Equity Index Daily Futures Contracts**

3.1 The financial indices to be traded for the Equity Index Daily Futures transactions shall be defined as follows.

- (1) The equity index which is the aggregate of the adopted Equity Prices for index calculation (calculated based on a notional par value of 50 yen per share) of 225 issues selected by Nikkei Inc. among those listed on the First Section of the Tokyo Stock Exchange, divided by a certain divisor (meaning the figure determined by Nikkei Inc. as the figure to be used for calculation to maintain continuity of the index in the case that the total equity prices vary due to events such as stock splits, or substitution of 225 issues) (such equity index being called “Nikkei Stock Average” and an Equity Index Daily Futures transaction/contract with respect to which the underlying financial index is Nikkei Stock Average being

hereinafter called “Nikkei 225 Daily Futures transaction/contract”.)

- (2) The equity index which is a market value-weighted index for the floating stocks of 100 issues selected by FTSE International Limited among those listed on the London Stock Exchange (an Equity Index Daily Futures transaction/contract with respect to which the underlying financial index is the said financial index being hereinafter called “FTSE 100 Daily Futures transaction/contract”).
- (3) The equity index which is a market value-weighted index for the floating stocks of 30 issues selected by Deutsche Börse AG among those listed on the Frankfurt Stock Exchange (an Equity Index Daily Futures transaction/contract with respect to which the underlying financial index is the said financial index being hereinafter called “DAX® Daily Futures transaction/contract”).
- (4) The equity index which is a weighted average of 30 issues selected by S&P Dow Jones Indices LLC among those listed on the overseas financial instruments markets located in the United States of America (such equity index being hereinafter called the “Dow Jones Industrial Average” and an Equity Index Daily Futures transaction/contract the underlying financial index of which is the Dow Jones Industrial Average being hereinafter called “DJIA Daily Futures transaction/contract”).

3.2 The equity indices provided for in Article 3.1(1), Article 3.1 (2) and Article 3.1 (4) above shall be calculated without taking into account of the effects of dividends accrued with respect to the issues of the relevant equity index.



#### **Article 4. Contract Day Transaction**

4.1 Equity Index Daily Futures contracts shall be such contracts based on the contract days that are executed during the Market Trading Period of a specific trading day or created by a rollover at the close of the Market Trading Period of a specific trading day's previous trading day (which means the rollover as defined in Article 90-13 of the Clearing Regulations; this definition shall similarly apply in Article 4.1(3) below) and are discharged by any of the reasons set forth below.

- (1) Filing of offsetting notification provided for in Article 90-20.1(1) of the Clearing Regulations
- (2) Execution of offsetting transactions provided for in Article 90-20.1(2) of the Clearing Regulations
- (3) Rollover at the close of the Market Trading Period of the trading day on which the position arises

4.2 The final settlement date for the position discharged under Article 4.1(1) or (2) above shall, in principle, be the immediately following calendar day after two banking days counted from and including the calendar day on which the pre-open period of the trading day on which the position has been discharged falls.

4.3 Notwithstanding the provisions of Articles 4.2 above, the Exchange may temporarily specify a final settlement date for any specific contract day. In this case, the Exchange shall give an advance notice to that effect to the Equity Index Daily Futures Trading Members, etc.

### **CHAPTER III.**

## **MATCHING FOR EQUITY INDEX DAILY FUTURES CONTRACTS ON THE EXCHANGE MARKET**

**Article 5. Market Trading Period, etc. for Equity Index Daily Futures Transactions**

5.1 The pre-open period and the Market Trading Period for Nikkei 225 Daily Futures contracts shall be as set forth below; provided, however, if an overseas financial instruments market (limited to those existing in the United States of America) is closed or changes its trading sessions, the pre-open period and the Market Trading Period shall be as determined by the Exchange.

(1) Pre-open period

- (a) Monday (If Monday is an Exchange Holiday for Nikkei 225 Daily Futures contracts, the immediately following day which is an Exchange business day):  
from 8:00 a.m. to 8:30 a.m.
- (b) Tuesday, Wednesday, Thursday and Friday:  
from 8:20 a.m. to 8:30 a.m.

(2) Market Trading Period

from 8:30 a.m. of a certain calendar day to 6:00 a.m. of the subsequent calendar day (or from 8:30 a.m. of a certain calendar day to 5:00 a.m. of the subsequent calendar day, during the time when Daylight Saving Time is applied in the State of New York, the United States of America)

5.2 The pre-open period and the Market Trading Period for FTSE 100 Daily Futures contracts shall be as set forth below; provided, however, if an overseas financial instruments market (limited to those existing in the United Kingdom) changes its trading sessions, the pre-open period and the Market Trading Period shall be as determined by the Exchange.

(1) Pre-open period

from 4:50 p.m. to 5:00 p.m.(or from 3:50 p.m. to 4:00 p.m. during the time when Daylight Saving Time is applied in Europe)

(2) Market Trading Period

from 5:00 p.m. of a certain calendar day to 6:00 a.m. of the subsequent calendar day (or from 4:00 p.m. of a certain calendar day during the time when Daylight Saving Time is applied in Europe, or to 5:00 a.m. of the subsequent calendar day during the time when Daylight Saving Time is applied in the State of New York, the United States of America)

5.3 The pre-open period and the Market Trading Period for DAX® Daily Futures contracts shall be as set forth below; provided, however, if an overseas financial instruments market (limited to those existing in the Federal Republic of Germany) changes its trading sessions, the pre-open period and the Market Trading Period shall be as determined by the Exchange.

(1) Pre-open period

from 3:50 p.m. to 4:00 p.m.(or from 2:50 p.m. to 3:00 p.m. during the time when Daylight Saving Time is applied in Europe)

(2) Market Trading Period

from 4:00 p.m. of a certain calendar day to 6:00 a.m. of the subsequent calendar day (or from 3:00 p.m. of a certain calendar day during the time when Daylight Saving Time is applied in Europe, or to 5:00 a.m. of the subsequent calendar day during the time when Daylight Saving Time is applied in the State of New York, the United States of America)

5.4 The pre-open period and the Market Trading Period for DJIA Daily Futures contracts shall be as set forth below; provided, however, if an overseas financial instruments market (limited to those existing in the United States of America) is closed or changes its trading sessions, the pre-open period and the Market Trading Period shall be as determined by the Exchange.

(1) Pre-open period

(a) Monday:

from 8:00 a.m. to 8:30 a.m.

(b) Tuesday, Wednesday, Thursday and Friday:  
from 8:20 a.m. to 8:30 a.m.

(2) Market Trading Period

from 8:30 a.m. of a certain calendar day to 6:00 a.m. of the subsequent calendar day (or from 8:30 a.m. of a certain calendar day to 5:00 a.m. of the subsequent calendar day, during the time when Daylight Saving Time is applied in the State of New York, the United States of America)

5.5 Notwithstanding the provisions of Articles 5.1 through 5.3 above, the Exchange may accept a cancellation requested by an Equity Index Daily Futures Trading Member, etc. of its bids or offers in accordance with the conditions separately prescribed by the Exchange.

5.6 The Exchange may temporarily change the pre-open period and the Market Trading Period when the Exchange deems necessary to do so. In this case, the Exchange shall give an advance notice to that effect to the Equity Index Daily Futures Trading Members, etc.

**Article 6. Exchange Holiday, etc.**

6.1 The Exchange Holidays for Nikkei 225 Daily Futures contracts shall be as follows:

- (1) Saturdays
- (2) Sundays
- (3) January 1
- (4) January 2, if January 1 falls on Sunday

6.2 The Exchange Holidays for FTSE 100 Daily Futures contracts and DAX® Daily Futures contracts shall be as follows:

- (1) Saturdays (including a day on which the overseas financial instruments market on which the components of the equity index are traded is not closed)
- (2) Sundays
- (3) Any day as of the day on which the overseas financial instruments market where the components of the equity index to be traded is closed

6.3 The Exchange Holidays for DJIA Daily Futures contracts shall be as follows:

- (1) Saturdays (including a day on which the overseas financial instruments market (limited to those existing in the United States of America) on which the futures contracts whose the underlying asset is the Dow Jones Industrial Average are listed is not closed)
- (2) Sundays
- (3) Any day as of the day on which the overseas financial instruments market (limited to those existing in the United States of America) on which the futures contracts whose the underlying asset is the Dow Jones Industrial Average are listed is closed (excluding the day which falls under (1) or (2) above)

6.4 The Exchange may designate an ad hoc holiday for Equity Index Daily Futures transactions when the Exchange deems necessary to do so.

6.5 No Matching for Equity Index Daily Futures transactions shall be conducted on the Exchange Holidays and ad hoc holidays; provided, however, that the foregoing shall not apply to the Market Trading Period as set forth in Article 5.1(2), Article 5.2(2), Article 5.3(2) and Article 5.4(2) hereof when the calendar day immediately preceding an Exchange Holiday or an ad hoc holiday is a business day.

**Article 7. Business Day**

A business day of the Exchange's financial instruments market for Equity Index Daily Futures transactions shall be a day other than the Exchange Holidays and an ad hoc holidays set forth in Article 6 hereof.

**Article 8. Trading Day**

A trading day on the Exchange for Equity Index Daily Futures transactions shall be a period commencing at the opening of the pre-open period that starts on a specific business day and ending at the close of the Market Trading Period following the said pre-open period.

**Article 9. Notice of Temporary Suspension and Off-hour Matching**

When the Exchange determines to have an ad hoc holiday or a temporary suspension of Matching for Equity Index Daily Futures transactions, the Exchange shall give an advance notice to that effect to the Equity Index Daily Futures Trading Members, etc. Should the Exchange determine to conduct Matching during non-trading hours, the Exchange shall give a notice to that effect to the Equity Index Daily Futures Trading Members, etc. two (2) business days before such date of off-hour Matching.

**CHAPTER IV.**

**EQUITY INDEX MARKET MAKER**

## **Article 10. Designation of Equity Index Market Maker**

10.1 In accordance with the conditions separately prescribed by the Exchange, the Exchange shall seek applications from Equity Index Daily Futures Trading Members, etc. or persons currently applying for Equity Index Daily Futures Trading Membership or Equity Index Daily Futures Remote Trading Membership who desire to be designated as Equity Index Market Maker, and the Exchange shall designate such Equity Index Daily Futures Trading Member(s), etc. or Equity Index Daily Futures Trading Membership applicant(s) or Equity Index Daily Futures Remote Trading Membership applicant(s) as Equity Index Market Maker who will be determined as being qualified after conducting a screening of those who have applied for designation as Equity Index Market Maker.

10.2 Matters necessary for designation of Equity Index Market Makers shall be separately prescribed by the Exchange.

## **Article 11. Obligations of Equity Index Market Makers**

11.1 An Equity Index Market Maker shall continuously submit an MM bid and offer for the Equity Index Daily Futures transactions for which it is obligated to submit an MM bid and offer, during the designated market-making period separately prescribed by the Exchange, pursuant to the conditions separately prescribed by the Exchange, and through the FX/Equity Index Trading and Clearing System (meaning the “FX/Equity Index Trading and Clearing System” defined in Article 15.1 of the Trading Member Regulations; the same interpretation shall apply hereinbelow).

11.2 When a non-MM bid or non-MM offer corresponding to an MM offer or MM bid submitted by an Equity Index Market Maker is inputted into the FX/Equity Index Trading and Clearing System, the Equity Index Market Maker shall execute a contract.

11.3 If all the MM bids and offers submitted under Article 11.1 above are matched for their entire volume pursuant to Article 11.2 above, the Equity Index Market Maker shall promptly submit a new MM bid and MM offer.

11.4 If an Equity Index Market Maker notifies the Exchange of its intention to suspend submission of MM bids and offers with respect to any one or all of the Equity Index Daily Futures transactions for which it is obligated to submit an MM bid and offer due to any of the following reasons and the Exchange determines that such suspension is appropriate, the

Equity Index Market Maker shall be allowed to suspend the submission of MM bids and offers as aforesaid, regardless of the provisions of Articles 11.1 through 11.3 above.

- (1) When submitting an MM bid or offer may possibly result in violation of any applicable laws and regulations
- (2) When the Equity Index Market Maker has been imposed disciplinary measures (but limited to those relating to market derivatives transactions, etc. or transactions on commodity markets) by the competent administrative authorities in accordance with the Acts, the Foreign Exchange and Foreign Trade Acts or the Commodity Derivatives Acts or any similar laws or regulations in foreign countries, or other disciplinary measures by the Exchange in accordance with its Articles of Incorporation, Trading Regulations, Brokering Terms, Clearing Regulations or other applicable regulations, such disciplinary measures of which will have caused the suspension or limitation of the market derivatives transactions concluded by bids or offers of the Market Maker on the Exchange.
- (3) When submitting an MM bid or offer may possibly disregard investor protection or harm the fairness of trading, or erode trust in financial instruments business or cause any other similar circumstances

11.5 When the Exchange confirms the existence of any of the events mentioned in Article 11.4 above, or when the Exchange considers it necessary, the Exchange may cause an Equity Index Market Maker to suspend submission of MM bids and offers, without recourse to notification by the Equity Index Market Maker.

11.6 When the Equity Index Market Maker who has suspended submission of MM bids and offers under Article 11.4 or 11.5 above notifies the Exchange of its intention to resume such submission and the Exchange determines that such resumption is appropriate, or when the Exchange determines that the event causing such suspension has been eliminated and notifies the Equity Index Market Maker to that effect, the Equity Index Market Maker shall submit MM bids and offers without delay.

11.7 Each Equity Index Market Maker shall reasonably and faithfully fulfill its obligations in light of the significance of its acceptance of designation as Equity Index



Market Maker. In addition to those set forth herein, other obligations of Equity Index Market Makers in their Equity Index Market-Making shall be separately prescribed by the Exchange.

## **Article 12. Prohibited Acts of Equity Index Market Makers**

An Equity Index Market Maker shall not commit any of the following acts:

- (1) Delay in submitting an MM bid or offer, or submission of an MM bid or offer that materially deviates from current market prices
- (2) Leakage of any information that the Equity Index Market Maker has become aware of through its Equity Index Market-Making, or improper transaction using such information
- (3) Submission of a bid or offer, as a Non-Equity Index Market Maker, for the Equity Index Daily Futures transactions for which it is obligated to submit an MM bid and offer for its house account
- (4) Undertaking of brokerage service for the Equity Index Daily Futures transactions for which it is obligated to submit an MM bid and offer, except where the Exchange determines that it is necessary

## **Article 13. Establishment and Maintenance of Appropriate System of Equity Index Market Maker**

13.1 An Equity Index Daily Futures Trading Member, etc. who acts as Equity Index Market Maker and who also undertakes brokerage services as Non-Equity Index Market Maker shall establish and maintain the framework and system, as separately prescribed by the Exchange, necessary and appropriate for preventing possible conflict of interest transactions and other unfair transactions, in managing information related to its brokerage services with respect to the Equity Index Daily Futures transactions for which it is obligated to submit an MM bid and offer.

13.2 An Equity Index Market Maker shall have the obligation to establish and maintain a system which ensures that it will not make an order that materially deviates from the price of the immediately preceding order at market making.

13.3 The level of price deviation set forth in the immediately preceding paragraph shall be separately prescribed by the Exchange.

**Article 14. Moratorium on Equity Index Market-Making and Revocation of Designation as Equity Index Market Maker**

14.1 If an Equity Index Market Maker fails to perform the obligations, etc. to be assumed as an Equity Index Market Maker as set forth in Articles 11.1 through 11.3, 11.6 and 11.7 hereof or commits any of the acts set forth in Article 12 hereof, the Exchange may invoke a moratorium on Equity Index Market-Making in whole or in part or revoke designation as Equity Index Market Maker against the said Equity Index Market Maker.

14.2 If the Exchange considers it necessary in light of the condition of market derivatives transactions, etc. on the Exchange Market or any other market, the condition of domestic or international financial transactions, or any other situation, the Exchange may take necessary measures against the concerned Equity Index Market Makers in accordance with the conditions separately prescribed by the Exchange.

**Article 15. Equity Index Daily Futures Contracts for Equity Index Market Makers subject to Moratorium on Equity Index Market-Making or Revocation of Designation as Equity Index Market Maker**

When the Exchange invokes a moratorium on Equity Index Market-Making or revokes designation as Equity Index Market Maker, the Exchange may cause unsettled Equity Index Daily Futures contracts executed based on MM bids and offers submitted by the Equity Index Market Maker to be transferred to any other Equity Index Market Maker or liquidated in the manner that the Exchange deems necessary.

**Article 16. Resignation of Equity Index Market Maker**

An Equity Index Market Maker who is an Equity Index Market Maker may resign as Equity Index Market Maker in accordance with the conditions separately prescribed by the Exchange.

**Article 17. Equity Index Daily Futures Contracts for Resigning Equity Index Market Maker**

When an Equity Index Market Maker resigns, the Exchange may cause unsettled Equity Index Daily Futures contracts executed based on MM bids and offers submitted by the Equity Index Market Maker to be transferred to any other Equity Index Market Maker or liquidated in the manner that the Exchange deems necessary.

**Article 18. Announcement of Designation, Resignation or Revocation of Designation, etc.**

If the Exchange designates an Equity Index Market Maker pursuant to Article 10 hereof, invokes a moratorium on Equity Index Market-Making in whole or in part or revokes designation as Equity Index Market Maker pursuant to Article 14 hereof, and allows resignation as Equity Index Market Maker pursuant to Article 16 hereof, the Exchange shall notify all other Equity Index Daily Futures Trading Members, etc. to that effect.

**CHAPTER V.**

## **METHODS OF EXECUTION, etc. OF EQUITY INDEX DAILY FUTURES TRANSACTIONS**

### **Article 19. Precedence of Bids and Offers under the Market-Making Method**

19.1 Equity Index Daily Futures transactions on the Exchange Market shall be based on the Market-Making Method in principle.

19.2 MM bids and offers under the Market-Making Method set forth in Article 19.1 above shall be such bids and offers designating a price limit (hereinafter called the “limit order(s)”) and the precedence among them shall be determined as follows: (i) a lower MM offer shall take precedence over any higher MM offer, (ii) a higher MM bid shall take precedence over any lower MM bid, and (iii) in the case of multiple MM bids or MM offers at the same price, an earlier MM bid shall take precedence over any later MM bid and an earlier MM offer shall take precedence over any later MM offer.

19.3 The precedence of non-MM bids and offers under the Market-Making Method set forth in Article 19.1 above shall be determined as follows.

- (1) In the case of limit orders, (i) a lower offer shall take precedence over any higher offer, (ii) a higher bid shall take precedence over any lower bid, and (iii) in the case of multiple bids or offers at the same price, an earlier bid shall take precedence over any later bid and an earlier offer shall take precedence over any later offer.
- (2) IC market order (meaning a bid or offer submitted during the Market Trading Period without designating a price limit and made null and void immediately in the absence of a corresponding MM offer or MM bid; the same shall apply hereinafter) shall take precedence over a limit order with respect to the price priority.
- (3) Loss-cut order (meaning a bid or offer submitted without designating a price limit which shall continue in effect even in the absence of a corresponding MM offer or MM bid; the same shall apply hereinafter) shall take precedence over any limit order with respect to the price priority.

19.4 With respect to priorities between an IC market order and a loss-cut order, a bid coming into effect earlier shall take precedence over any bid coming into effect later and an offer coming into effect earlier shall take precedence over any offer coming into effect later. The same shall apply to the priorities among multiple IC market orders and those among multiple loss-cut orders.

## **Article 20. Trigger Order**

20.1 An Equity Index Daily Futures Trading Member, etc. may submit bid and offer which shall take effect upon fulfillment of the conditions set forth below (hereinafter called the “trigger order(s)”), provided, however, a trigger order may not be submitted as MM bid or offer.

- (1) An offer (which shall be called the “trigger offer” in Article 20.2 below) on the condition that a contract shall be executed at a price designated by an Equity Index Daily Futures Trading Member, etc. in advance (hereinafter called the “trigger price”) or lower, or MM bid taking precedence over all other then submitted MM bids shall be submitted at a trigger price or lower during the Market Trading Period
- (2) A bid (which shall be called the “trigger bid” in Article 20.2 below) on the condition that a contract shall be executed at a trigger price or higher, or MM offer taking precedence over all other then submitted MM offer shall be submitted at a trigger price or higher during the Market Trading Period

20.2 The types of trigger prices shall be as follows.

- (1) Trigger limit order
  - (a) Trigger limit offer (among the trigger offers, meaning an offer designating a price limit and continuing in effect in the absence of a corresponding MM bid)
  - (b) Trigger limit bid (among the trigger bids, meaning a bid designating a price limit and continuing in effect in the absence of a

corresponding MM offer)

- (2) Trigger market order
  - (a) Trigger market offer (among the trigger offers, meaning an offer without designating a price limit and continuing in effect in the absence of a corresponding MM bid)
  - (b) Trigger market bid (among the trigger bids, meaning a bid without designating a price limit and continuing in effect in the absence of a corresponding MM offer)

## **Article 21. Priorities of Trigger Orders**

21.1 The priorities between the trigger limit order coming into effect and all other orders shall be determined as follows.

- (1) The priorities among the trigger limit order coming into effect, the limit order and other trigger limit orders coming into effect shall be determined in accordance with the provisions of Article 19.3(1). In such case, if a trigger limit order and a limit order are at the same price, the one which has come into effect earlier shall take precedence over the other which has come into effect later.
- (2) The trigger limit order coming into effect shall be subordinate to IC market orders, loss-cut orders and trigger market orders coming into effect, with respect to the price priority.
- (3) If multiple trigger limit orders of the same price have come into effect simultaneously, the one accepted by the Exchange earlier shall take precedence over the other accepted by the Exchange later.
- (4) If multiple trigger limit orders of the same price have come into effect at different times, the trigger limit order which has come into effect earlier shall take precedence over the other which has come into effect later.

21.2 The priorities between the trigger market order coming into effect and all other

orders shall be determined as follows.

- (1) The trigger market order coming into effect shall take precedence over the limit orders and trigger limit orders coming into effect, with respect to the price priority.
- (2) The priorities among the trigger market order coming into effect, IC market order and loss-cut order, the one which has come into effect earlier shall take precedence over the other which has come into effect later.
- (3) If multiple trigger market orders have come into effect simultaneously, the one accepted by the Exchange earlier shall take precedence over the other accepted by the Exchange later.
- (4) If multiple trigger market orders have come into effect at different times, the one which has come into effect earlier shall take precedence over the other which has come into effect later.

## **Article 22. Individual Auction under the Market-Making Method**

22.1 With respect to Equity Index Daily Futures transactions based on the Market-Making Method set forth in Article 19.1 hereof in principle, their contracts shall be executed based on the individual auction for MM bids and offers and based on the individual auction for non-MM bids and offers respectively.

22.2 When, among MM offers and non-MM bids, an MM offer taking precedence over all other then submitted MM offers and a non-MM bid taking precedence over all other then submitted non-MM bids correspond to each other, an Equity Index Daily Futures contract shall be executed between such corresponding MM offer and non-MM bid at the contract price in the amount equal to the said MM offer, regardless of the time of submission of the said MM offer and non-MM bid.

22.3 When, among MM bids and non-MM offers, an MM bid taking precedence over all other then submitted MM bids and a non-MM offer taking precedence over all other then submitted non-MM offers correspond to each other, an Equity Index Daily Futures contract shall be executed between such corresponding MM bid and non-MM offer at the contract price in the amount equal to the said MM bid, regardless of the time of submission

of the said MM bid and non-MM offer.

### **Article 23. Bids and Offers**

23.1 In order for an Equity Index Daily Futures Trading Member, etc. to execute Equity Index Daily Futures contracts by the Market-Making Method, bids or offers shall be submitted through the Member's terminal devices (meaning the "Member's terminal devices" defined in Article 48.1 of the Trading Member Regulations; the same interpretation shall apply hereinbelow). In this case, the Equity Index Daily Futures Trading Member, etc. shall designate whether the bid or offer is for its house account or based on an Equity Index Daily Futures Customer's order for the Exchange's recognition.

23.2 In order to execute an Equity Index Daily Futures contract, the bids or offers referred to in Article 23.1 above shall be inputted into the FX/Equity Index Trading and Clearing System via the respective Member's terminal devices.

23.3 Bids and offers for Equity Index Daily Futures contracts shall be quoted in the following manner.

- (1) Nikkei 225 Daily Futures contract 1 yen
- (2) FTSE 100 Daily Futures contract 1 point
- (3) DAX® Daily Futures contract 1 point
- (4) DJIA Daily Futures contract 1point

23.4 The minimum price fluctuation of bids and offers for Equity Index Daily Futures contracts shall be determined for each type of financial indices as follows.

- (1) Nikkei 225 Daily Futures contract 1 yen
- (2) FTSE 100 Daily Futures contract 1 point
- (3) DAX® Daily Futures contract 1 point
- (4) DJIA Daily Futures contract 1point



23.5 If the Exchange sets any limit on the price range for Equity Index Daily Futures contracts, each bid or offer shall be at the price within such limited price range.

23.6 Each bid or offer for Equity Index Daily Futures contracts shall be in a volume not exceeding the limit which the Exchange separately sets on the trading volume, provided, however, that the foregoing volume limit shall not apply to MM bids and offers.

23.7 The Exchange may reject to receive any bid or offer for Equity Index Daily Futures contracts if:

- (1) the price of a bid or offer is outside of a specific price range set by the Exchange, which price range is set above and below the reference price that may be established by the Exchange from time to time;
- (2) it is necessary to do so in order to maintain a fair and orderly market or to ensure the stable operation of the Exchange System as defined in Article 15.1 of the Trading Member Regulations, or the Exchange deems it necessary to do so for any other reason;
- (3) the trigger price of the trigger order outside of a specific price range set by the Exchange, which price range is set above and below the reference price that may be established by the Exchange from time to time; or
- (4) the price of the trigger limit order is outside of a specific price range set by the Exchange, which price range is set above and below the trigger price that may be established by the Exchange.

23.8 When an Equity Index Daily Futures Trading Member, etc. submits the bids and/or offers, it is not required to indicate whether the Equity Index Daily Futures contract, which it desires to execute, is a new contract or settlement.

23.9 In addition to the provisions of these Special Provisions, any matters necessary to stipulate in connection with bids and offers for Equity Index Daily Futures contracts under the Market-Making Method shall be separately prescribed by the Exchange.

## **Article 24. Trading Unit**

The trading unit for the respective type of Equity Index Daily Futures contracts shall be as follows.

- (1) Nikkei 225 Daily Futures contract  
Amount equivalent to the equity index to be traded multiplied by 100 yen
- (2) FTSE 100 Daily Futures contract  
Amount equivalent to the equity index to be traded multiplied by 100 yen
- (3) DAX® Daily Futures contract  
Amount equivalent to the equity index to be traded multiplied by 100 yen
- (4) DJIA Daily Futures contract  
Amount equivalent to the equity index to be traded multiplied by 100 yen

## **Article 25. Posting of Contract Price**

If an Equity Index Daily Futures contract has been executed (except for the contracts executed in accordance with Article 19 of the Trading Regulations), the Exchange shall post the contract price thereof on the Exchange Market.

## **Article 26. Notice, etc. of Contents Inputted for Bids and Offers**

26.1 When any matter relating to a bid or offer has been inputted in accordance with Article 23.2 hereof, the Exchange shall immediately communicate the contents inputted into the FX/Equity Index Trading and Clearing System (hereinafter called “inputted contents”) to the Equity Index Daily Futures Trading Member, etc. who has submitted such bid or offer; provided, however, that the foregoing shall not apply to the inputted contents for an MM bid or offer.

26.2 The Equity Index Daily Futures Trading Member, etc. shall promptly confirm the inputted contents communicated under Article 26.1 above.

26.3 Any correction to the inputted contents communicated under Article 26.1 above shall be made in accordance with the conditions separately prescribed by the Exchange.

## **Article 27. Matching of Bid and Offer**

When an MM offer and a non-MM bid satisfy the conditions for execution of an Equity Index Daily Futures contract set forth in Article 22 hereof, or when an MM bid and a non-MM offer satisfy the conditions for execution of an Equity Index Daily Futures contract set forth in the said Article, the bid and the offer shall be matched by the FX/Equity Index Trading and Clearing System in accordance with the price and time priority set forth herein.

## **Article 28. Notice of Execution of Equity Index Daily Futures Contract**

28.1 Upon execution of an Equity Index Daily Futures contract, the Exchange shall immediately communicate the details thereof to the Equity Index Daily Futures Trading Member, etc. who has submitted the bid or offer for such contract.

28.2 The Equity Index Daily Futures Trading Member, etc. shall promptly confirm the details of the Equity Index Daily Futures contract communicated under Article 28.1 above.

## **Article 28-2. Position Adjustment Program**

28-2.1 A position adjustment program is a program to effectuate the events of (i) and (ii) as follows for each type of Equity Index Daily Futures contracts, if one or more Equity Index Market Maker(s) hold(s) a short position which is taken in compliance with the obligation to submit an MM bid and offer for a specific type of Equity Index Daily Futures contracts (hereinafter called “MM short position”), while one or more other Equity Index Market Maker(s) at the same time therewith hold(s) a long position which is taken in compliance with the obligation to submit an MM bid and offer for the said Equity Index Daily Futures contracts (hereinafter called “MM long position”) at the close of the Market Trading Period of the trading day designated by the Exchange (hereinafter called “Position Adjustment Determination Trading Day”); (i) on the trading day to be separately designated by the Exchange after the Position Adjustment Determination Trading Day, a bid to reduce the aforesaid MM short position and an offer to reduce the aforesaid MM long position shall respectively be submitted automatically as between the concerned Equity Index Market Makers; and (ii) an Equity Index Daily Futures contract shall be executed as between the bid and offer set forth in (i) above at the contract price separately prescribed by the Exchange.

28-2.2 The volume of Equity Index Daily Futures contracts to be executed under the position adjustment program set forth in Article 28-2.1 above shall be as separately prescribed by the Exchange for each such Equity Index Market Maker.

28-2.3 Upon execution of Equity Index Daily Futures contracts under the position adjustment program, the Exchange shall, in accordance with the conditions separately prescribed by the Exchange, communicate their contract prices and traded volume to the Equity Index Market Makers who have executed the concerned contracts.

## **CHAPTER VI.**

### **OFFSETTING TRANSACTIONS**

## **Article 29. Offsetting Transactions**

Matters necessary for offsetting transactions for Equity Index Daily Futures contracts shall be governed by Chapter XIII-II of the Clearing Regulations.

## **CHAPTER VII.**

### **EQUITY INDEX SETTLEMENT PRICE, ETC**

## **Article 30. Equity Index Settlement Price, etc.**

Matters necessary for Equity Index Settlement Prices and payment or receipt of monies for Equity Index Daily Futures transactions and others shall be governed by Chapter XIII-II of the Clearing Regulations.

## **CHAPTER XIII.**

### **MISCELLANEOUS PROVISIONS**

## **Article 31. Identification of Parties to Equity Index Daily Futures Contract**

31.1 A party involved in an Equity Index Daily Futures contract shall be identified by its corporate name or trade name or its abbreviated name of a relevant Equity Index Daily Futures Trading Member, etc.

31.2 The abbreviated name of an Equity Index Daily Futures Trading Member, etc. shall be determined by the Exchange.

## **Article 32. Dispatch of Notice on Equity Index Daily Futures Contract**

32.1 An Equity Index Daily Futures Trading Member, etc. shall provide a monthly statement to an Equity Index Daily Futures Customer holding any Unsettled Positions for Equity Index Daily Futures contracts for its account to report on the state of such unsettled Equity Index Daily Futures contract; provided, however, that the foregoing shall not apply if an Equity Index Daily Futures Customer is a financial instruments firm, an exchange licensed firm or a registered financial institution.

32.2 The following Items shall be described in a statement set forth in Article 32.1 above:

- (1) Type of the Equity Index Daily Futures contract
- (2) Trading day
- (3) Time of Matching
- (4) Whether the Equity Index Daily Futures contract is a sale contract or a purchase contract
- (5) Trading volume
- (6) Contract price

32.3 Instead of dispatching a monthly statement set forth in Article 32.1 above, an Equity Index Daily Futures Trading Member, etc. may notify an Equity Index Daily Futures Customer of the matters that would otherwise be described in the said statement, with its approval, by means of a method utilizing an electronic data processing and network organization or a method utilizing any other information and telecommunication technology to be separately prescribed by the Exchange. In this case, the Equity Index Daily Futures Trading Member, etc. shall be deemed to have provided a monthly statement referred to in the foregoing sentence.

**Article 33. Recordkeeping for Equity Index Daily Futures Transactions based on Customer's Order**

An Equity Index Daily Futures Trading Member, etc. shall keep the records separately prescribed by the Exchange with respect to the Equity Index Daily Futures transactions based on an Equity Index Daily Futures Customer's order.

**Article 34. Method of Notice, etc. of Total Traded Volume, Total Contract Value, etc.**

34.1 The Exchange shall provide each Equity Index Daily Futures Trading Member, etc. with the daily information about the items set forth in the Appendix 1 attached hereto as prescribed under Article 130 of the Act, by means of notification and announcement via electronic recording media on every business day; provided, however, such notification and announcement may be made in writing rather than electronic recording media if the Exchange deems it difficult to use the latter due to failure thereof or under similar circumstances.

34.2 Instead of the notification and announcement set forth in Article 34.1 above, the Exchange may communicate the matters that would otherwise be described in the said notification and announcement by means of a method utilizing an electronic data processing and network organization or a method utilizing any other information and telecommunication technology to be separately prescribed by the Exchange. In this case, the Exchange shall be deemed to have provided the notification and announcement referred to in the foregoing sentence.

### **Article 35. Reporting to Prime Minister**

Notwithstanding the provisions of Article 81-2 of the Trading Regulations, the Exchange shall report on daily market and other information about the Exchange's market for Equity Index Daily Futures transactions to the Prime Minister as required by Article 131 of the Act by electronic recording media pursuant the Appendix 1 attached hereto; provided, however, that such report may be made in writing rather than electronic recording media if the Exchange deems it difficult to use the latter due to failure thereof or under similar circumstances.

### **Article 36. Notice Concerning Delisting, etc.**

In the event that the Exchange will delist or suspend listing of any Equity Index Daily Futures contract (hereinafter called the "Delisting, etc."), the Exchange shall notify the Equity Index Daily Futures Trading Members, etc. of the date of the Delisting, etc. and the last trading day before the Delisting, etc. (hereinafter called the "Equity Index last trading day") in advance.

### **Article 37. Adjustment of Unsettled Position upon Delisting etc.**

37.1 In the event that the Exchange carries out Delisting, etc. of any Equity Index Daily Futures contract, if there is any unsettled position thereunder at the close of the Market Trading Period on the Equity Index last trading day, the Exchange may cause Equity Index Daily Futures Trading Members, etc. to take any measure which the Exchange deems necessary in order to settle the said unsettled position.

37.2 The price at which the unsettled position will be settled by the measure referred to in Article 37.1 shall be calculated by the Exchange in accordance to the formula listed in the Appendix 2.

## **SUPPLEMENTARY PROVISIONS**

These amended Special Provisions shall take effect as from September 20, 2014.

## **SUPPLEMENTARY PROVISIONS**

These amended Special Provisions shall take effect as from June 9, 2017.



## **SUPPLEMENTARY PROVISIONS**

These amended Special Provisions shall take effect as from November 1, 2019.

## **Appendix 1**

### **Notice, Announcement and Matters to be Reported (Article 34 and Article 35)**

Nikkei 225 Daily Futures contracts, FTSE 100 Daily Futures contracts, DAX® Daily Futures contracts and DJIA Daily Futures contracts (except for the contracts executed in accordance with Article 19 of the Trading Regulations)

Matters to be reported on every trading day

Highest, lowest, opening and last contract figures, trading volume, Equity Index Settlement Price, position volume, daily interest rate amount and dividend amount

Matter to be reported monthly

Each trading volume of sale contracts and purchase contracts, position balance, amount and daily average traded volume for each Equity Index Daily Futures Trading Member

## Appendix 2

### Calculation method of price at which unsettled position is settled upon Delisting etc. (Article 37)

Type of Equity Index Daily Futures contracts	Formula	Remarks
Nikkei 225 Daily Futures contracts	(Price at which the unsettled position is settled) = $S1 \times 0.99996$	(Coefficient in the left column) = $1 +$ (Average deviation rate from the trading day as of May 10, 2019 to the trading day as of May 23, 2019 (0.322%)) – (average deviation rate from the trading day as of May 27, 2019 to the trading day as of June 7, 2019 (0.326%))
DAX® Daily Futures contracts	(Price at which the unsettled position is settled) = $S2 \times 0.99979$	(Coefficient in the left column) = $1 +$ (Average deviation rate from the trading day as of May 10, 2019 to the trading day as of May 23, 2019 (-0.156%)) – (average deviation rate from the trading day as of May 27, 2019 to the trading day as of June 7, 2019 (-0.135%))
FTSE 100 Daily Futures contracts	(Price at which the unsettled position is settled) = $S3 \times 1.00233$	(Coefficient in the left column) = $1 +$ (Average deviation rate from the trading day as of May 10, 2019 to the trading day as of May 23, 2019 (1.989%)) – (average deviation rate from the trading day as of May 27, 2019 to the trading day as of June 10, 2019 (1.756%))
DJIA Daily Futures contracts	(Price at which the unsettled position is settled) = $S4 \times 1.00088$	(Coefficient in the left column) = $1 +$ (Average deviation rate from the trading day as of May 10, 2019 to the trading day as of May 23, 2019 (-0.018%)) – (average deviation rate from the trading day as of May 27, 2019 to the trading day as of

		June 10, 2019 (-0.106%)
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(Note)

1. The result of calculation by the above formulas shall be rounded to the nearest whole number.
2. S1, S2, S3 and S4 in the above formulas shall mean as follows respectively:
 

S1: A special quotation calculated by Osaka Exchange, Inc. in accordance with its Business Regulations as the price for the first final settlement of a futures contract whose underlying asset is Nikkei Stock Average on or after the Equity Index last trading day for Nikkei 225 Daily Futures contracts (limited to those listed on the Financial Instruments Exchange Market (meaning the Financial Instruments Exchange Market defined in Article 2, Item 17 of the Act) operated by Osaka Exchange, Inc.))

S2: A figure calculated by Deutsche Borse AG as the price for the first final settlement of a futures contract whose underlying asset is DAX® on or after the Equity Index last trading day for DAX® Daily Futures contracts (limited to those listed on the overseas financial instruments market operated by Eurex Exchange)

S3: A figure calculated by FTSE International Limited as the price for the first final settlement of a futures contract whose underlying asset is FTSE100 on or after the Equity Index last trading day for FTSE100 Daily Futures contracts (limited to those listed on the overseas financial instruments market operated by ICE Futures Europe)

S4: A figure calculated by S&P Dow Jones Indices LLC as the price for the first settlement of a futures contract whose underlying asset is DJIA on or after the Equity Index last trading day for DJIA Daily Futures contracts (limited to those listed on the overseas financial instruments market operated by The Board of Trade of the City of Chicago, Inc.)
3. The “average deviation rate” referred to in the remarks column means, for each type of Equity Index Daily Futures contracts, an average of the difference between the MM bid or offer and the price of the Equity Index which is the Financial Index for the relevant Equity Index Daily Futures contract divided by the price of the said Equity Index.