

[English Translation]

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

TOKYO FINANCIAL EXCHANGE INC.

(This is an English translation of the Enforcement Regulations for Special Provisions for Trading Regulations for Equity Index Daily Futures 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
Equity Index Daily Futures 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 Equity Index Daily Futures Transactions (hereinafter called the “Equity Index Special Provisions”).

Article 2. Period for Accepting Cancellation of Bids and Offers

2.1 Cancellation of bids or offers set forth in Article 5.6 of the Equity Index 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 separately prescribed by the Exchange pursuant to Article 23.9 of the Equity Index 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/Equity Index 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) (meaning a condition 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; the same shall apply hereinafter) may be applied to any limit order, except those accepted in a pre-open period.
- (3) OCO (One Cancels the Other) (meaning a condition 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 an offer by limit order and a trigger market offer in the same volume
 - (b) Combination of a bid by limit order and a trigger market bid in the same volume

(4) Expiration of a bid or offer

A bid or offer inputted into the FX/Equity Index 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 Equity Index Daily Futures 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/Equity Index 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/Equity Index 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/Equity Index Trading and Clearing System.

(d) With respect to a bid or offer whose duration includes an Exchange Holiday as defined in Article 6.1 and Article 6.2 of the Equity Index Special Provisions or an ad hoc holiday as defined in Article 6.3 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. Limited Price Range

The limit on the price range set forth in Article 23.5 of the Equity Index Special Provisions (hereinafter called the “price fluctuation range”) shall be specified below with respect to Nikkei 225 Daily Futures contracts and DJIA Daily Futures contracts with respect to its category of daily settlement price on the preceding trading day.

(1) Nikkei 225 Daily Futures contracts

Daily settlement price on the preceding trading day	Price fluctuation range
Less than 7,500 yen	+/- 1,000 yen
Not less than 7,500 yen, less than 10,000 yen	+/- 1,500 yen
Not Less than 10,000 yen, less than 12,500 yen	+/- 2,000 yen
Not Less than 12,500 yen, less than 17,500 yen	+/- 3,000 yen
Not less than 17,500 yen, less than 22,500 yen	+/- 4,000 yen
Not less than 22,500 yen, less than 27,500 yen	+/- 5,000 yen
Not less than 27,500 yen, less than 32,500 yen	+/- 6,000 yen
Not less than 32,500 yen, less than 37,500 yen	+/- 7,000 yen
Not less than 37,500 yen, less than 42,500 yen	+/- 8,000 yen
Not less than 42,500 yen	+/- 9,000 yen

(2) DJIA Daily Futures contracts

Daily settlement price on the preceding trading day	Price fluctuation range
Less than 7,500 points	+/- 1,000 points
Not less than 7,500 points, less than 10,000 points	+/- 1,500 points
Not Less than 10,000 points, less than 12,500 points	+/- 2,000 points
Not Less than 12,500 point, less than 17,500 points	+/- 3,000 points
Not less than 17,500 points, less than 22,500 points	+/- 4,000 points
Not less than 22,500 points, less than 27,500 points	+/- 5,000 points
Not less than 27,500 points, less than 32,500 points	+/- 6,000 points
Not less than 32,500 points, less than 37,500 points	+/- 7,000 points
Not less than 37,500 points, less than 42,500 points	+/- 8,000 points
Not less than 42,500 points	+/- 9,000 points

Article 5. Volume Limit on Non-MM Bids and Offers

5.1 The limit on the trading volume with respect to non-MM bids and offers prescribed in Article 23.6 of the Equity Index Special Provisions shall be not more than 500 trading units.

5.2 The Exchange shall not accept a bid or offer exceeding the volume limit set forth in Article 5.1 above.

Article 6. Correction to Contents of Bid or Offer

6.1 Correction to the inputted contents pursuant to Article 26.3 of the Equity Index Special Provisions shall be made in the following manner.

(1) Correction to a bid or offer

The concerned Equity Index Daily Futures Trading Member, etc. shall cancel the bid or offer and then input a correct bid or offer in accordance with Article 23.2 of the Equity Index 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 23.2 of the Equity Index Special Provisions.

6.2 Notwithstanding the provision of Item (a) of Article 6.1(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 23.2 of the Equity Index Special Provisions.

Article 7. Application for Approval of Market Derivative Transaction for Error Trade Correction, etc.

If an Equity Index Daily Futures Trading Member, etc. intends to obtain the Exchange's approval for Error Trade Correction pursuant to Article 19 of the Trading Regulations, the Equity Index Daily Futures Trading Member, etc. 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 7-2. Trading Day on which an Equity Index Daily Futures contract is executed under the Position Adjustment Program

7-2.1 The trading day to be separately designated by the Exchange on and after the Position Adjustment Determination Trading Day as set forth in Article 28-2.1 of the Equity Index Special Provisions shall be as set forth below for each type of the Equity Index Daily Futures contract:

- (1) Nikkei 225 Daily Futures contracts
Trading day, the opening of whose Market Trading Period occurs on a calendar day which falls on the second Friday of March, June, September and December (provided, however, if such calendar day falls on an ad hoc holiday, the trading day designated by the Exchange from time to time)
- (2) FTSE 100 Daily Futures contracts
Trading day, the opening of whose Market Trading Period occurs on a calendar day which falls on the third Friday of March, June, September and December (provided, however, if such calendar day falls on an ad hoc holiday, the trading day designated by the Exchange from time to time)
- (3) DAX® Daily Futures contracts
Trading day, the opening of whose Market Trading Period occurs on a calendar day which falls on the third Friday of March, June, September and December (provided, however, if such calendar day falls on an ad hoc holiday, the trading day designated by the Exchange from time to time)
- (3) DJIA Daily Futures contracts
Trading day, the opening of whose Market Trading Period occurs on a calendar day which falls on the third Friday of March, June, September and December (provided, however, if such calendar day falls on an ad hoc holiday, the trading day designated by the Exchange from time to time)

7-2.2 The Exchange may change the trading day prescribed in Article 7-2.1 above when it deems it necessary to do so.

Article 7-3. Volume of Equity Index Daily Futures contracts to be Executed under the Position Adjustment Program

7-3.1 The volume to be separately prescribed by the Exchange for each Equity Index Market Maker pursuant to Article 28-2.2 of the Equity Index Special Provisions shall be as follows:

- (1) When the total volume of all the Equity Index Market Makers' MM short positions (meaning the "MM short position" defined in Article 28-2.1 of the Equity Index Special Provisions; the same interpretation shall apply hereinbelow) exceeds the total volume of all the Equity Index Market Makers' MM long positions (meaning the "MM long position" defined in Article 28-2.1 of the Equity Index Special Provisions; the same interpretation shall apply hereinbelow) at the close of the Market Trading Period of a Position Adjustment Determination Trading Day
 - (a) For an Equity Index Market maker holding an MM short position
The volume calculated by allocating the total volume of all the Equity Index Market Makers' MM long positions to the respective Equity Index Market Maker in proportion to the volume of its MM short position(s)
 - (b) For an Equity Index Market Maker holding an MM long position
The volume of MM long position(s) held by the respective Equity Index Market Maker
- (2) When the total volume of all the Equity Index Market Makers' MM short positions falls below the total volume of all the Equity Index Market Makers' MM long positions at the close of the Market Trading Period of a Position Adjustment Determination Trading Day
 - (a) For an Equity Index Market Maker holding an MM short

position

The volume of MM short position(s) held by the respective Equity Index Market Maker

- (b) For an Equity Index Market Maker holding an MM long position

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

7-3.2 Matters that the Exchange considers necessary to stipulate in connection with the calculation of the proportionately allocated volumes under Article 7-3.1(1)(a) or 7-3.1(2)(b) above shall be prescribed by the Exchange from time to time.

Article 8. Method Utilizing Information and Telecommunication Technology for Notice to Customers

8.1 The method separately prescribed by the Exchange referred to in Article 32.3 of the Equity Index 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 Equity Index Daily Futures Trading Member, etc. and those used by an Equity Index Daily Futures 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 Equity Index Daily Futures Trading Member, etc. that would otherwise be described in the notice referred to in Article 32.2 of the Equity Index Special Provisions will be made available for access by an Equity Index Daily Futures Customer via telecommunication lines and those matters will be downloaded

into files stored in the computers used by the Equity Index Daily Futures Customer.

- (2) The matters that would otherwise be described in the notice referred to in Article 32.2 of the Equity Index 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.

8.2 Each of the methods set forth in Article 8.1 above shall be the one enabling an Equity Index Daily Futures Customer to output the contents recorded into the files in paper form.

8.3 An “electronic data processing and network organization” referred to in Article 8.1(1) above means an electronic data processing and network organization connecting computers used by an Equity Index Daily Futures Trading Member, etc. and those used by its Equity Index Daily Futures Customer by means of telecommunication lines.

Article 9. Recordkeeping for Equity Index Daily Futures Transactions based on Customer’s Order

9.1 The records to be prescribed by the Exchange pursuant to Article 33 of the Equity Index Special Provisions shall be the records of bids and offers and trading results acquired from the Member’s terminal devices

9.2 The records set forth in Article 9.1 above shall be composed of the matters set forth in Appendix attached hereto.

9.3 An Equity Index Daily Futures Trading Member, etc. may keep the records set forth in Article 9.1 above in the form of output or onto a microfilm, floppy disk or any other electronic media.

9.4 The records set forth in Article 9.1 above shall be kept for five (5) years.

Article 10. System of Preventing Possible Conflict of Interest Transactions

The appropriate system separately prescribed by the Exchange referred to in

Article 13.1 of the Equity Index Special Provisions shall be as follows.

- (1) A system which separates its business section in charge of Equity Index Market-Making from its business section in charge of the brokerage service undertaken by it
- (2) A system which separates its person in charge of Equity Index Market-Making from its person in charge of the brokerage service undertaken by it
- (3) A system which physically and systematically separates management of customer information related to Equity Index Daily Futures contracts between its business section in charge of Equity Index Market-Making and its business section in charge of the brokerage service undertaken by it
- (4) Other system which the Exchange determines necessary to be established and maintained

Article 11. Method Utilizing Information and Telecommunication Technology for Notice to Equity Index Daily Futures Trading Members, etc.

11.1 The method separately prescribed by the Exchange referred to in Article 34.2 of the Equity Index 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 Equity Index Daily Futures Trading Member, etc. 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 Equity Index Special Provisions will be made available for access by an Equity Index Daily Futures Trading Member, etc. via telecommunication lines and those matters will be downloaded into files stored in the computers used by the Equity Index Daily Futures Trading Member, etc.

- (2) The matters that would otherwise be described in the notice referred to in the Appendix attached to the Equity Index 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.

11.2 An “electronic data processing and network organization” referred to in Article 11.1(1) above means an electronic data processing and network organization connecting computers used by the Exchange and those used by an Equity Index Daily Futures Trading Member, etc. by means of telecommunication lines.

SUPPLEMENTARY PROVISIONS

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

SUPPLEMENTARY PROVISIONS

These amended regulations shall take effect as from June 27, 2017.

SUPPLEMENTARY PROVISIONS

These amended regulations shall take effect as from January 29, 2018.

**Appendix Matters to be Recorded with respect to Orders and Results thereof
(Article 9)**

Matters to be Recorded	
1.	Types of Equity Index Daily Futures contracts
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 Equity Index Daily Futures Customer's order
9.	Type(s) of modifier(s), if any