

[English Translation]

**MARKET-MAKING REGULATIONS FOR  
EQUITY INDEX DAILY FUTURES TRANSACTIONS**

**TOKYO FINANCIAL EXCHANGE INC.**

(This is an English translation of the Market-Making 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 Regulations 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.)

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Equity Index Daily Futures Transactions  
Table of Contents

	Page
Article 1. Purpose .....	1
Article 2. Definitions .....	1
Article 3. Designation of Equity Index Market Maker .....	1
Article 4. Designated Market-making Period .....	2
Article 5. Compliance Rules for Submission of MM Bids and Offers .....	2
Article 6. Questioning on MM Bids and Offers, etc. ....	2
Article 7. Revocation of Equity Index Market Maker, etc. ....	3
Article 8. Resignation of Equity Index Market Maker .....	3
Article 9. Exemption of Par-contract Exchange Fees .....	3
Article 10. Notice of Amendment to Regulations .....	3
Article 11. Decision and Notice of Necessary Matters .....	4
Article 12. Notification of Equity Index Market-Making Operator .....	4
Article 13. Notification of Equity Index Operating ID for Equity Index Market-Making ....	4

## **Article 1. Purpose**

These Regulations set forth the matters that the Exchange considers necessary to stipulate in connection with the duties to be executed by Equity Index Market Makers to fulfill their obligations assumed as an Equity Index Market Maker (hereinafter called “Equity Index Market-Making”) and other relevant matters, pursuant to Chapter IV of the Special Provisions for Trading Regulations for Equity Index Daily Futures Transactions (hereinafter called the “Equity Index Special Provisions”).

## **Article 2. Definitions**

Unless otherwise set forth herein, the terms used herein shall have the meanings as defined in the Articles of Incorporation, the Trading Regulations and the Equity Index Special Provisions.

## **Article 3. Designation of Equity Index Market Maker**

3.1 When the Exchange seeks applications for designation as Equity Index Market Maker pursuant to Article 10.1 of the Equity Index Special Provisions, an application period shall be specified and the procedure for applications and designation shall be implemented.

3.2 An Equity Index Daily Futures Trading Member, etc. or a person seeking to become an Equity Index Daily Futures Trading Member, etc. who desires to be designated as Equity Index Market Maker (hereinafter called an “applicant”) shall, within the application period set forth in Article 3.1 above, submit to the Exchange “Application for Designation as Equity Index Market Maker” in the form prescribed by the Exchange.

3.3 When the Exchange conducts a screening for designating Equity Index Market Makers, the applicants shall be screened by taking into comprehensive consideration their trading experiences, etc. on the Exchange, any other domestic or foreign financial instruments exchange, etc. to which it belongs, and financial markets and others, their status of systems, back-office operations and support scheme necessary for performing obligations to be fulfilled as an Equity Index Market Maker during the designated

market-making period to be prescribed by the Exchange, and other relevant matters.

3.4 When the Exchange designates an Equity Index Market Maker, the Exchange shall specify the date and time from which the term for such designation will take effect and communicate it to the Equity Index Market Maker in writing.

#### **Article 4. Designated Market-making Period**

The designated market-making period designated by the Exchange separately as specified in Article 11.1 of the Equity Index Special Provisions shall be a period commencing at the opening of the pre-open period and ending at the close of the Market Trading Period set forth in Articles 5.1 through 5.10 of the Equity Index Special Provisions respectively for each type of the Equity Index Daily Futures transactions.

#### **Article 5. Compliance Rules for Submission of MM Bids and Offers**

In submitting any MM bid or offer pursuant to the conditions separately prescribed by the Exchange under Article 11.1 of the Equity Index Special Provisions, an Equity Index Market Maker shall comply with the following rules.

- (1) The price difference between an MM offer and an MM bid to be submitted shall be within a range that the Exchange will determine as being equitable.
- (2) Each MM bid or offer to be submitted shall be in a volume that the Exchange will determine as being equitable.

#### **Article 6. Questioning on MM Bids and Offers, etc.**

When the Exchange deems necessary to do so for sound operation of Equity Index Market-Making, the Exchange may question any Equity Index Market Maker about its submission of MM bids and offers and the Equity Index Market Maker shall respond to such questioning.

**Article 7. Revocation of Equity Index Market Maker, etc.**

If the Exchange invokes a moratorium on the operation as an Equity Index Market Maker in whole or in part or revoke designation as Equity Index Market Maker pursuant to Article 14.1 of the Equity Index Special Provisions, the Exchange shall specify the time from which the moratorium or revocation will take effect and give a written notice of the moratorium or revocation to the concerned Equity Index Market Maker.

**Article 8. Resignation of Equity Index Market Maker**

8.1 If an Equity Index Market Maker resigns pursuant to Article 16 of the Equity Index Special Provisions, the Equity Index Market Maker shall provide the Exchange with at least six (6) month's prior written notice specifying the time of resignation which shall not be within twelve (12) months after the start of the term of Equity Index Market Maker.

8.2 Notwithstanding the provisions of Article 8.1 above, if it becomes difficult for an Equity Index Market Maker to continue Equity Index Market-Making due to any reason that the Exchange will determine as being truly unavoidable, the Equity Index Market Maker shall be allowed to resign as Equity Index Market Maker.

**Article 9. Exemption of Par-contract Exchange Fees**

The Exchange shall exempt par-contract exchange fees as set forth in Article 11.1 of the Trading Member Regulations with respect to Equity Index Daily Futures contracts executed by an Equity Index Market Maker by its Equity Index Market-Making.

**Article 10. Notice of Amendment to Regulations**

If the Exchange amends these Regulations, the Exchange shall give an advance notice to that effect to Equity Index Daily Futures Trading Members, etc.

## **Article 11. Decision and Notice of Necessary Matters**

11.1 In addition to the provisions of these Regulations, the Exchange may prescribe detailed rules or take proper steps for any necessary matters.

11.2 If any detailed rules are prescribed or any steps are taken pursuant to Article 11.1 above, the Exchange shall notify Equity Index Market Makers without delay.

## **Article 12. Notification of Equity Index Market-Making Operator**

12.1 In order to receive any request set forth in Article 12.3 below or any other notice from the Exchange, an Equity Index Market Maker shall authorize its Equity Index Officer to appoint and dismiss one or more liaison officer(s) representing the Equity Index Market Maker to be selected from its employees resident in the workplace where its Member's terminal device is installed (hereinafter called "Equity Index Market-Making Operator(s)").

12.2 If an Equity Index Market-Making Operator is appointed or replaced pursuant to Article 12.1 above, the Equity Index Market Maker or its Equity Index Officer shall notify the Exchange in advance in the prescribed form.

12.3 If the Exchange intends to request submission of a bid and offer or give any other notice to an Equity Index Market Maker who has appointed Equity Index Market-Making Operator in accordance with these Regulations or any detailed rules or steps as set forth in Article 11 above, the Exchange may make such request or notice to the Equity Index Market Maker's Equity Index Market-Making Operator instead of its Equity Index Officer.

## **Article 13. Notification of Equity Index Operating ID for Equity Index Market-Making**

For its Equity Index Market-Making, an Equity Index Market Maker shall use the Equity Index Operating ID to be specified by the Exchange.

## **SUPPLEMENTARY PROVISIONS**

The amended Regulations shall take effect as from September 20, 2014.

## **SUPPLEMENTARY PROVISIONS**

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

## **SUPPLEMENTARY PROVISIONS**

The amended Regulations shall take effect as from October 26, 2020.

## **SUPPLEMENTARY PROVISIONS**

The amended Regulations shall take effect as from February 28, 2022.

## **SUPPLEMENTARY PROVISIONS**

The amended Regulations shall take effect as from September 11, 2023.

