

[English Translation]

**REGULATIONS FOR
MARGIN AND UNSETTLED CONTRACTS FOR
FX DAILY FUTURES TRANSACTIONS**

TOKYO FINANCIAL EXCHANGE INC.

(This is an English translation of the Regulations for Margin and Unsettled Contracts for FX 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 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.)

Regulations for Margin and Unsettled Contracts
for FX Daily Futures Transactions
Table of Contents

	Page
CHAPTER I. GENERAL PROVISIONS	1
Article 1. Purpose	1
Article 2. Definitions	1
Article 3. Purpose of FX Margin	4
CHAPTER II. RIGHTS AND DUTIES OF FX DAILY FUTURES TRADING MEMBER IN REGARD TO FX MARGINS	4
Section 1. Depositing of FX Exchange Margin	4
Article 4. Separate Depositing	4
Article 5. FX Exchange Margin for House Account Positions	5
Article 6. Direct Depositing of FX Exchange Margin	6
Article 7. Advanced Depositing of FX Exchange Margin by FX Daily Futures Trading Member	6
Section 2. Claim for Refund of FX Margin	7
Article 8. Claim for Refund of FX Margin	7
Article 8-2 Refund of FX Exchange Margin	10
Article 9. Drawing of FX Exchange Margin and Restriction	12
Article 10. Disbursement of FX Exchange Margin	13
Article 11. Transfer of FX Variation for Settlement to FX Exchange Margin	13
Section 3. Treatment of FX Daily Futures Contracts upon Suspension from Transaction or Other Measures Taken	14
Article 12. Suspension of Refund of FX Margin due to Suspension from Transactions or Other Measures Taken	14
Article 13. Treatment of Unsettled Positions based on Orders by Suspended Member's FX Daily Futures Customers	14
Article 14. Treatment of FX Margin for Transfer of Unsettled Position	15
Article 15. Treatment of FX Margin after Liquidation	15
Article 16. Other Treatment for Transfer of Unsettled Positions	16
CHAPTER III. FX MARGIN FOR FX DAILY FUTURES CUSTOMER ACCOUNT POSITIONS	16

Article 17. Purpose of this Chapter	16
Article 18. Deposit of FX Exchange Margin.....	17
Article 19. Deposit of Ordering Margin	17
Article 20. FX Daily Futures Customer’s Claim for Refund.....	18
Article 21. FX Daily Futures Offeror’s Claim for Refund	18
Article 22. FX Daily Futures Intermediate broker’s Claim for Refund.....	19
Article 22-2. FX Margin Reference Amount Applied to Individual Customers	19
Article 22-3. FX Margin Reference Amount Applied to House Account Position or Non-Individual Customer Position.....	20
Article 22-4. FX Margin Reference Amount Applied to FX Market Maker.....	22
Article 23. Drawing of FX Exchange Margin and Restriction	23
Article 24. Refund of FX Exchange Margin	23
Article 25. Transfer of FX Variation for Settlement to FX Exchange Margin	24
CHAPTER III-II. TREATMENT OF FX MARGIN, ETC. UNDER COMBINED MANAGEMENT	24
Article 25-2. Purpose of this Chapter.....	24
Article 25-3. Combined Management	25
Article 25-4. Deposit of FX Exchange Margin under Combined Management	25
Article 25-5. Deposit of Ordering Margin under Combined Management.....	26
Article 25-6. Drawing of FX Exchange Margin and Restriction under Combined Management	26
Article 25-7. Control System for Loss-cut Transactions under Combined Management.....	27
CHAPTER IV. TREATMENT UPON SUSPENSION FROM TRANSACTIONS OR OTHER MEASURES TAKEN	28
Article 26. Duties upon Suspension from Transactions or Other Measures Taken	28
Article 27. Treatment of FX Daily Futures Customer’s FX Margin for Transfer of Unsettled Positions	29
Article 28. Treatment of FX Daily Futures Offeror’s FX Margin for Transferred Unsettled Positions	30
Article 29. Treatment of FX Daily Futures Customer’s FX Margin for Liquidated Positions	30
Article 30. Treatment of FX Daily Futures Offeror’s FX Margin for Liquidated Positions ...	31
CHAPTER IV-II. FX MARGIN FOR POSITION TRANSFER	31
Article 30-2. Treatment of FX Daily Futures Customer’s FX Margin for Position Transfer....	31
Article 30-3. Treatment of FX Daily Futures Offeror’s FX Margin for Position Transfer	32

CHAPTER V. MISCELLANEOUS PROVISIONS.....	33
Article 31. Change in Settlement Method, etc.....	33
Article 32. Management of FX Exchange Margin	33
 SUPPLEMENTARY PROVISIONS	 33

CHAPTER I.

GENERAL PROVISIONS

Article 1. Purpose

1.1 These Regulations set forth the matters necessary to stipulate in connection with margins and unsettled contracts in connection with FX Daily Futures transactions and other related matters in accordance with the Exchange's regulations as follows: Article 1-2 of the Trading Regulations, Article 30 of the Clearing Regulations, and Article 11-4 of the Brokering Terms.

1.2 Amendments to Section 3 of Chapter II and Chapter IV shall be effected by obtaining the consent of the Self-regulatory Committee.

Article 2. Definitions

The terms used herein shall have the meanings ascribed to them as below.

- (1) "FX Exchange Margin" means the money deposited by an FX Daily Futures Trading Member or an FX Daily Futures Customer with the Exchange with respect to FX Daily Futures transactions and bids and offers submitted related thereto for the purpose of ensuring the performance of the FX Daily Futures Trading Member's or the FX Daily Futures Customer's obligations relevant to its FX Daily Futures contracts.
- (2) A "deposited FX Exchange Margin" means the amount of FX Exchange Margin (including the amount of FX variation transferred pursuant to Article 11 or 25 hereof) already deposited with the Exchange.
- (3) "FX Margin" means a sum of: (i) the amount of FX Exchange Margin already deposited by an FX Daily Futures Trading Member or an FX Daily Futures Customer with the Exchange and (ii) the amount of fixed

FX variation of the said FX Daily Futures Trading Member or FX Daily Futures Customer if it is greater than zero.

- (4) An “FX Margin amount” means the amount of FX Margin.
- (5) A “house account position” and “house account short position” or “house account long position”, as the case may be, means the short or long positions relevant to an FX Daily Futures contract which has been executed for an FX Daily Futures Trading Member’s house account (except for positions relevant to an FX Daily Futures Customer’s order).
- (6) An “FX Daily Futures Customer account position” and “FX Daily Futures Customer account short position” or “FX Daily Futures Customer account long position”, as the case may be, means the short or long positions relevant to an FX Daily Futures contract which has been executed based on an FX Daily Futures Customer’s order.
- (7) An “FX Margin reference amount” means the Japanese Yen amount that underlies the FX Exchange Margin to be deposited with the Exchange for a house account position or for an FX Daily Futures Customer account position. An FX Margin reference amount shall be in the amount as determined by the Exchange.
- (8) “FX variation” means FX variation as defined in Article 90-8.1 of the Clearing Regulations.
- (9) “Fixed FX variation” means the FX variation for positions for settlement that has not yet been transferred to FX Exchange Margin pursuant to Article 11 or 25 hereof.
- (10) “Unsettled FX variation” means FX variation other than fixed FX variation.
- (11) An “FX Margin-Required Amount” means the FX Margin reference amount multiplied by larger of the total volume of short positions or long positions held as adjusted based on the amount of FX variation, wherein (i) if the FX variation is greater than zero, its amount shall be subtracted

from the FX Margin reference amount multiplied by the position volume and (ii) if the FX variation is less than zero, the absolute value of its amount shall be added to the FX Margin reference amount multiplied by the position volume, as calculated for each type of FX Daily Futures contracts.

- (12) A “shortfall” in FX Exchange Margin under Articles 4 and 18 hereof means the absolute value of either the amount of FX Exchange Margin or the deposited FX Exchange Margin, *minus* the FX Margin-Required Amount; provided, however, that, if the result of subtraction is a positive number, then the shortfall shall be zero.
- (13) “FX Daily Futures Trading Member” means an FX Daily Futures Trading Member as defined in Article 2 of the Trading Member Regulations.
- (14) An “FX Daily Futures customer” means a customer (*itakusya*) for FX Daily Futures transactions, an “FX Daily Futures offeror” means an offeror (*moshikomisya*) for FX Daily Futures transactions, and an “FX Daily Futures intermediate broker” means an intermediate broker (*toritsugisya*) for FX Daily Futures transactions. Any or all of FX Daily Futures customers, FX Daily Futures offerors and FX Daily Futures intermediate brokers may be individually or collectively referred to as “FX Daily Futures Customer(s)”.
- (15) “Daily Futures Clearing Member” means a Daily Futures Clearing Member as defined in Article 3.3 of the Clearing Regulations.
- (16) “FX Daily Futures Non-Clearing Member” means an FX Daily Futures Trading Member who does not have a Daily Futures Clearing Membership as defined in Article 3.2 (2) of the Clearing Regulations.
- (17) Except in Article 22-2.1 and Article 22-3.1 hereof, a “trading day” means the trading day as defined in Article 8 of the Special Provisions for Trading Regulations for FX Daily Futures Transactions (hereinafter called the “FX Special Provisions”) for any type of FX Daily Futures contract.

Article 3. Purpose of FX Margin

3.1 FX Margin shall be deposited with the Exchange by an FX Daily Futures Customer or an FX Daily Futures Trading Member to ensure the performance of its obligations relevant to FX Daily Futures contracts.

3.2 In the event of default in any of the obligations set forth in Article 3.1 above, the Exchange, the FX Daily Futures Trading Member or the FX Daily Futures intermediate broker shall be entitled to exercise the right with respect to the FX Margin concerned and appropriate the same for the satisfaction of such obligations.

CHAPTER II.

RIGHTS AND DUTIES OF FX DAILY FUTURES TRADING MEMBER IN REGARD TO FX MARGINS

Section 1. Depositing of FX Exchange Margin

Article 4. Separate Depositing

4.1 When a Daily Futures Clearing Member has executed an FX Daily Futures contract in its own name, or when the deposited FX Exchange Margin becomes deficient, the FX Daily Futures Trading Member shall deposit the stated amount of FX Exchange Margin or the amount equal to the shortfall as FX Exchange Margin with the Exchange, in accordance with the classifications set forth in Article 4.3 below in the manner separately prescribed by the Exchange, by 10:00 a.m. of a calendar day on which there occurs the opening of the Market Trading Period of the second trading day following the trading day on which the obligation of depositing arises (if any calendar day on which there occurs the opening of the Market Trading Period of the first or the second trading day following the trading day on which the obligation of depositing arises is a Japanese bank holiday, such day shall be excluded for the purpose of recognition of the first and second trading days).

4.2 Each FX Daily Futures Non-Clearing Member shall deposit with its Designated Clearing Member an FX Exchange Margin in accordance with the classifications set forth in Article 4.3 (4) through (6).

4.3 The classifications of FX Exchange Margin to be deposited are as set forth in each Item below:

- (1) Those deposited for Daily Futures Clearing Member's house account
- (2) Those deposited for the Customer account position of Daily Futures Clearing Member by way of direct deposit set forth in Article 6 hereof
- (3) Those deposited for the Customer account position of Daily Futures Clearing Member by way of advanced deposit set forth in Article 7 hereof
- (4) Those deposited for Daily Futures Non-Clearing Member's house account
- (5) Those deposited for the Customer account position of Daily Futures Non-Clearing Member by way of direct deposit set forth in Article 6.1 hereof
- (6) Those deposited for the Customer account position of Daily Futures Non-Clearing Member by way of advanced deposit set forth in Article 7.1 hereof

4.4 Depositing in accordance with the proviso to Article 5.3 hereof shall be treated as depositing pursuant to Article 4.3 (3).

4.5 An FX Daily Futures Trading Member shall furnish the Exchange with the documents relating to the FX Exchange Margins in accordance with the conditions separately prescribed by the Exchange.

Article 5. FX Exchange Margin for House Account Positions

5.1 Each Trading Member shall deposit with the Exchange an FX Exchange Margin in

the amount not less than the FX Margin-Required Amount applicable to its house account positions, in the manner prescribed by the Exchange.

5.2 FX Exchange Margin shall not be deposited in the form of negotiable securities, but shall be deposited in the currency of Japanese Yen.

5.3 Each FX Daily Futures Non-Clearing Member shall deposit an FX Exchange Margin with the Exchange through its Designated Clearing Member as its agent. If the FX Daily Futures Non-Clearing Member fails to deposit all or part of the FX Exchange Margin, the Designated Clearing Member may deposit from its own property an amount not less than the said FX Exchange Margin by way of advanced deposit until the trading day immediately following the trading day on which such FX Daily Futures Non-Clearing Member shall have deposited all of the FX Exchange Margin required to be deposited by the FX Daily Futures Non-Clearing Member with such Designated Clearing Member (any trading day that is a Japanese bank holiday shall be excluded for the purpose of recognition of the following trading day counted as aforesaid).

5.4 In addition to the provisions of these Regulations, any matters necessary to stipulate in connection with the FX Exchange Margins for FX Daily Futures contracts shall be separately prescribed by the Exchange.

Article 6. Direct Depositing of FX Exchange Margin

6.1 If an FX Daily Futures Trading Member receives an FX Exchange Margin from an FX Daily Futures Customer in accordance with Article 18 or Article 25-4 hereof, the FX Daily Futures Trading Member shall immediately report such receipt to the Exchange and deposit the full amount so received with the Exchange (such manner of depositing being hereinafter called “direct deposit(ing)”) as agent for the FX Daily Futures Customer.

6.2 If the FX Daily Futures Trading Member who receives an FX Exchange Margin is an FX Daily Futures Non-Clearing Member, the Customer shall deposit such Exchange Margin with the Exchange through the FX Daily Futures Non-Clearing Member and its Designated Clearing Member as agent of such Customer respectively.

Article 7. Advanced Depositing of FX Exchange Margin by FX Daily Futures

Trading Member

7.1 Where an FX Daily Futures Customer is required to deposit an additional amount of FX Exchange Margin pursuant to Article 18 or Article 25-4 hereof, if the FX Exchange Margin relevant to the FX Daily Futures Customer's orders has not yet been deposited with the Exchange, the concerned FX Daily Futures Trading Member shall deposit the FX Exchange Margin in an amount not less than the amount of the shortfall from its own property on behalf of the FX Daily Futures Customer (such manner of depositing being hereinafter called "advanced deposit(ing)") by 10:00 a.m. of the second trading day following the trading day on which the obligation of additional depositing arises (any trading day that is a Japanese bank holiday shall be excluded for the purpose of recognition of the first and second trading days counted as aforesaid).

7.2 In the case of advanced depositing by an FX Daily Futures Trading Member pursuant to Article 7.1 above, such advance deposit may be made or continued at any time within three (3) Japanese banking days after the calendar day on which there occurs the opening of the Market Trading Period on the trading day on which such advance deposit is made.

Section 2. Claim for Refund of FX Margin

Article 8. Claim for Refund of FX Margin

8.1 Each FX Daily Futures Trading Member or FX Daily Futures Customer shall be entitled to claim to the Exchange a refund of the money in the amount equal to the FX Margin amount.

8.2 Notwithstanding the provision of Article 8.1 above, a Daily Futures Clearing Member, FX Daily Futures Non-Clearing Member or FX Daily Futures Customer shall respectively be entitled to claim to the Exchange a refund of the FX Margin deposited in the manner set forth in each of the following Items, whichever is applicable, in the amount set forth in the same Item. In this connection, the amount of obligations with respect to FX Daily Futures contracts payable by a Daily Futures Clearing Member to the Exchange is hereinafter called the "FX Daily Futures Clearing Member Outstanding Obligation", the

amount of those payable by an FX Daily Futures Non-Clearing Member to its Designated Clearing Member is hereinafter called the “FX Daily Futures Non-Clearing Member Outstanding Obligation”, the amount of those payable by an FX Daily Futures customer to an FX Daily Futures Trading Member who has deposited an FX Exchange Margin is hereinafter called the “FX Daily Futures customer Outstanding Obligation”, the amount of those payable by an FX Daily Futures intermediate broker to an FX Daily Futures Trading Member who has deposited an FX Exchange Margin is hereinafter called the “FX Daily Futures intermediate broker Outstanding Obligation”, and the amount of those payable by an FX Daily Futures offeror to an FX Daily Futures intermediate broker who has deposited an FX Exchange Margin is hereinafter called the “FX Daily Futures offeror Outstanding Obligation”.

- (1) If an FX Daily Futures Trading Member deposits an FX Margin with the Exchange for its house account positions;

- (a) Where the claimant is a Daily Futures Clearing Member:

The amount claimable by the Daily Futures Clearing Member shall be the amount of the FX Margin deposited by it *plus* the FX Daily Futures Non-Clearing Member Outstanding Obligation out of the FX Margin deposited by the FX Daily Futures Non-Clearing Member (and, *minus* the FX Daily Futures Clearing Member Outstanding Obligation, if any); and

- (b) Where the claimant is an FX Daily Futures Non-Clearing Member:

The amount claimable by the FX Daily Futures Non-Clearing Member shall be the amount of the FX Margin deposited by it *minus* its FX Daily Futures Non-Clearing Member Outstanding Obligation.

- (2) With respect to an FX Margin deposited by an FX Daily Futures Customer with the Exchange:

- (a) The amount claimable by the FX Daily Futures Customer shall be the FX Margin amount relevant to the FX Daily Futures

Customer minus the FX Daily Futures customer Outstanding Obligation (or minus the FX Daily Futures offeror Outstanding Obligation, if the FX Daily Futures Customer is an FX Daily Futures offeror).

- (b) The amount claimable by the Daily Futures Clearing Member shall be the FX Margin amount relevant to the FX Daily Futures Customer (but excluding the FX Daily Futures Clearing Member Outstanding Obligation relevant to the FX Daily Futures Customer's FX Daily Futures contracts, if any) minus: (i) the amount claimable as set forth in (a) above, (ii) the amount of the relevant FX Daily Futures intermediate broker's claim for refund set forth in Article 22.1 hereof and (iii) the amount claimable as set forth in (c) below.
- (c) Where the claimant is an FX Daily Futures Non-Clearing Member:

The amount claimable by the FX Daily Futures Non-Clearing Member shall be the amount set forth in (i) and (ii) below:

- (i) Where the FX Daily Futures Non-Clearing Member has received the FX Exchange Margin from an FX Daily Futures customer:

The amount claimable by the FX Daily Futures Non-Clearing Member shall be the amount of the FX Daily Futures Customer Outstanding Obligation minus the FX Daily Futures Non-Clearing Member Outstanding Obligation; and

- (ii) Where the FX Daily Futures Non-Clearing Member has received the FX Exchange Margin from an FX Daily Futures intermediate broker or an FX Daily Futures offeror:

The amount claimable by the FX Daily Futures

Non-Clearing Member shall be the amount of the FX Daily Futures Intermediate Broker Outstanding Obligation minus the FX Daily Futures Non-Clearing Member Outstanding Obligation.

(3) If an FX Daily Futures Trading Member makes advanced depositing, in whole or in part, for the FX Exchange Margin relevant to a certain FX Daily Futures Customer's FX Daily Futures contracts pursuant to Article 7 hereof,

(a) Where the claimant is a Daily Futures Clearing Member:

The amount claimable by the Daily Futures Clearing Member shall be the amount of the FX Exchange Margin deposited by it by advanced deposit (less the FX Daily Futures Clearing Member Outstanding Obligation relevant to the FX Daily Futures Customer with respect to the FX Margin deposited by the FX Daily Futures Customer, if any) minus the amount of (b) below; and

(b) Where the claimant is an FX Daily Futures Non-Clearing Member:

The amount claimable by the FX Daily Futures Non-Clearing Member shall be the amount of the FX Margin deposited by it by advanced deposit (less the FX Daily Futures Non-Clearing Member Outstanding Obligation relevant to the FX Daily Futures Customer with respect to the FX Margin deposited by the FX Daily Futures Customer, if any).

8.3 If an FX Daily Futures Trading Member or FX Daily Futures Customer exercises its claim for refund relevant to any FX Margin, such claim shall be exercised by means of drawing of its FX Exchange Margin pursuant to Article 14 hereof.

Article 8-2 Refund of FX Exchange Margin

8-2.1 If an FX Daily Futures Trading Member who is an FX Daily Futures Non-Clearing Member claims a refund to the Exchange with respect to the FX Exchange Margin deposited in accordance with Articles 5.1 and 5.3 hereof, the Exchange shall make the refund to the Designated Clearing Member acting as an agent for the FX Daily Futures Non-Clearing Member.

8-2.2 If a refund is claimed by a person set forth in each Item below with respect to the FX Exchange Margin deposited by it in accordance with Article 6 hereof, the Exchange shall refund the FX Exchange Margin in a manner set forth in the relevant Item:

- (1) Where the claimant is a Daily Futures Clearing Member:

The Exchange shall make the refund directly to the Daily Futures Clearing Member.

- (2) Where the claimant is an FX Daily Futures Non-Clearing Member:

The Exchange shall make the refund through its Designated Clearing Member acting as its agent.

- (3) Where the claimant is an FX Daily Futures Customer (only who enters into transactions with a Daily Futures Clearing Member):

The Exchange shall make the refund through the Daily Futures Clearing Member acting as its agent.

- (4) Where the claimant is an FX Daily Futures Customer (only who enters into transactions with an FX Daily Futures Non-Clearing Member):

The Exchange shall make the refund through the FX Daily Futures Non-Clearing Member and its Designated Clearing Member both acting as its agents.

8-2.3 If a refund is claimed by a person set forth in each Item below with respect to the FX Exchange Margin deposited by it in accordance with Article 7 hereof, the Exchange shall refund the FX Exchange Margin in a manner set forth in the relevant Item:

- (1) Where the claimant is a Daily Futures Clearing Member:

The Exchange shall make the refund directly to the FX Daily Futures Clearing Member.

- (2) Where the claimant is an FX Daily Futures Non-Clearing Member:

The Exchange shall make the refund through its Designated Clearing Member acting as its agent.

Article 9. Drawing of FX Exchange Margin and Restriction

9.1 No FX Daily Futures Trading Member shall be allowed to draw any FX Margin for its house account position and any FX Margin for FX Daily Futures contracts for an FX Daily Futures Customer account position. Notwithstanding the foregoing, when the FX Margin amount is greater than the sum of the amounts set forth below as calculated for each type of FX Daily Futures contracts, the FX Daily Futures Trading Member shall be allowed to draw an amount not exceeding such difference from the FX Exchange Margin in accordance with the conditions separately prescribed by the Exchange.

- (1) The FX Margin reference amount multiplied by the total volume of short positions held or long positions held, whichever is greater
- (2) The absolute value of the Fixed FX variation or Unsettled FX variation, as the case may be, if it is less than zero

9.2 If the FX Exchange Margin to be drawn pursuant to Article 9.1 above is for an FX Daily Futures Customer account position, the drawing claimed by the FX Daily Futures Trading Member shall be based on the FX Daily Futures Customer's request.

9.3 No FX Daily Futures Trading Member shall be allowed to draw any FX Exchange Margin that is deposited with the Exchange by advanced depositing pursuant to Article 7 hereof. Notwithstanding the foregoing, when such advanced deposit is no longer necessary, the FX Daily Futures Trading Member shall be entitled to draw the FX Exchange Margin to the extent of the portion for which advanced depositing is no longer required.

9.4 With respect to the FX Exchange Margin in a foreign currency which arises for the designated FX Market Maker (as defined in Article 17-2.1 of the FX Special Provisions; this definition shall similarly apply in this paragraph), Article 9.1 above shall apply to the FX Exchange Margin as converted into Japanese Yen by the FX settlement price (meaning the FX settlement price of Yen Currency Pairs transaction which is a Large transaction if such FX Exchange Margin arises from the Large transaction (meaning a Large transaction as defined in Article 2 (23) of the FX Special Provisions) and the FX settlement price of Yen Currency Pairs transaction which is a Non-large transaction if such FX Exchange Margin arises from the Non-large transaction (meaning a Non-large transaction as defined in Article 2 (24) of the FX Special Provisions)) applied to the Yen Currency Pairs transaction (meaning a Yen Currency Pairs transaction as defined in Article 2(19) of the FX Special Provisions) concerning such foreign currency. Provided, however, no FX Daily Futures Trading Member shall be allowed to draw the FX Exchange Margin in the amount exceeding the sum deposited in Japanese Yen as the FX Exchange Margin.

Article 10. Disbursement of FX Exchange Margin

In the event of a claim for drawing of FX Exchange Margin pursuant to Article 9 hereof, the portion attributable to an FX Daily Futures Customer shall be disbursed by the Exchange to the FX Daily Futures Trading Member as agent for the FX Daily Futures Customer (if the FX Daily Futures Trading Member is an FX Daily Futures Non-Clearing Member, the FX Daily Futures Trading Member and its Designated Clearing Member).

Article 11. Transfer of FX Variation for Settlement to FX Exchange Margin

11.1 If an FX Daily Futures Trading Member's notification or execution of offsetting transaction (as defined in Article 90-7.1 of the Clearing Regulations; this definition shall similarly apply hereinafter) for any of its house account positions generates FX variation in relation to such position, the amount of the FX variation shall be transferred to FX Exchange Margin by 10:00 a.m. on the settlement date (as defined in Articles 4.2 and 4.3 of the FX Special Provisions; this definition shall similarly apply hereinafter) for the contract day on which the notification or execution of offsetting transaction is made.

11.2 The Exchange may temporarily change the time and date for the transfer set forth

in Article 11.1 above when the Exchange deems necessary to do so. In this case, the Exchange shall give an advance notice to that effect to the FX Daily Futures Trading Members.

Section 3. Treatment of FX Daily Futures Contracts upon Suspension from Transaction or Other Measures Taken

Article 12. Suspension of Refund of FX Margin due to Suspension from Transactions or Other Measures Taken

If an FX Daily Futures Trading Member becomes or is deemed likely to become insolvent and the Exchange imposes suspension from or restriction on transactions or other measure (hereinafter called “disciplinary measure”) on such FX Daily Futures Trading Member (hereinafter called the “Suspended Member”) pursuant to Articles 61 through 63 of the Trading Member Regulations, the Exchange shall temporarily refrain from refunding the FX Margin to the Suspended Member and its FX Daily Futures Customers for whom the Suspended Member acts as agent.

Article 13. Treatment of Unsettled Positions based on Orders by Suspended Member’s FX Daily Futures Customers

13.1 When a disciplinary measure is imposed on a Suspended Member, the Suspended Member shall immediately inform its FX Daily Futures Customers (except for FX Daily Futures offerors; this exception shall apply hereafter in Articles 13, 14 and 15 hereof) to that effect. In this case, if the Exchange determines to require such position to be transferred to any other FX Daily Futures Trading Member or liquidated pursuant to Article 38.1 of the Trading Member Regulations with respect to the Unsettled Positions based on any order by the Suspended Member’s FX Daily Futures Customer, the Suspended Member shall inform those FX Daily Futures Customers of such transfer or liquidation and other necessary matters as well.

13.2 The position transfer to any other FX Daily Futures Trading Member set forth in Article 13.1 above shall be implemented when any of the Suspended Member’s FX Daily

Futures Customers requests another FX Daily Futures Trading Member to accept such position transfer and such FX Daily Futures Trading Member as position transferee delivers a written consent to such position transfer to the Exchange by the time and date designated by the Exchange, whereupon the Exchange shall adopt the prices or figures designated by the Exchange as the contract prices of the Unsettled Positions thus transferred.

13.3 The liquidation set forth in Article 13.1 above shall be implemented in the manner prescribed by the Exchange, when the Suspended Member informs the Exchange of such liquidation based on its FX Daily Futures Customer's instruction.

13.4 If the FX Daily Futures Customer does not obtain the position transferee's consent by the time and date designated by the Exchange under Article 13.2 above, or if the FX Daily Futures Customer does not give the liquidation instruction set forth in Article 13.3 above, the Exchange shall liquidate the Unsettled Positions based on the FX Daily Futures Customer's order for its account in the manner prescribed by the Exchange.

Article 14. Treatment of FX Margin for Transfer of Unsettled Position

If the position transfer to any other FX Daily Futures Trading Member is implemented in accordance with Article 13 above, the relevant FX Margin shall be treated in the following manners.

- (1) With respect to the FX Margin deposited by the FX Daily Futures Customer, the FX Margin in the amount of the claim for refund held by the FX Daily Futures Customer shall be deemed to be deposited with the Exchange through the position transferee acting as agent for the FX Daily Futures Customer.
- (2) If the FX Margin which is deemed to be deposited under Item (1) above is refunded to the FX Daily Futures Customer, it shall be refunded through the position transferee acting as agent for the FX Daily Futures Customer.

Article 15. Treatment of FX Margin after Liquidation

15.1 When the liquidation under Article 13 hereof is implemented, each of the FX

Daily Futures Trading Member and the FX Daily Futures Customer concerned may exercise the claim for refund of the FX Margin relevant to the liquidated contract or position directly against the Exchange.

15.2 If the claim for refund of FX Margin set forth in Article 15.1 above is exercised directly against the Exchange, the Exchange shall make the refund after a reasonable period of time necessary for calculating the amount to be refunded.

Article 16. Other Treatment for Transfer of Unsettled Positions

In addition to the provisions of Articles 12 through 15 hereof, any matters necessary for transfer of Unsettled Positions shall from time to time be prescribed by the Exchange.

CHAPTER III.

FX MARGIN FOR FX DAILY FUTURES CUSTOMER ACCOUNT POSITIONS

Article 17. Purpose of this Chapter

17.1 The purpose of this Chapter III is to stipulate the relationship between FX Daily Futures Customers and FX Daily Futures Trading Members.

17.2 Notwithstanding the provision of Article 17.1 above, the relationship between an FX Daily Futures Customer who is an FX Daily Futures intermediate broker (*toritsugisya*) and an FX Daily Futures offeror (*moshikomisya*) shall be treated in the same manner as between an FX Daily Futures Trading Member and an FX Daily Futures customer (*itakusya*) for the purpose of treatment of transactions. In this case, Article 20 hereof shall be excluded in the application of this Chapter III, and the following terms referred to in this Chapter III except for Articles 18.2, 21, 22 and 25 hereof shall be replaced respectively as follows: “FX Daily Futures Trading Member” with “FX Daily Futures intermediate

broker”, “position transferee” with “FX Daily Futures intermediate broker to the position transferee”, “FX Daily Futures Customer” with “FX Daily Futures offeror”, and “order” placed by an FX Daily Futures Customer or any equivalent expression thereof with “offer for intermediation of ordering”.

Article 18. Deposit of FX Exchange Margin

18.1 If an FX Daily Futures Customer’s amount of FX Exchange Margin falls short of the FX Margin-Required Amount on any trading day and thus the FX Exchange Margin becomes deficient, the concerned FX Daily Futures Trading Member shall notify the FX Daily Futures Customer of the amount of such shortfall. In this case, the FX Daily Futures Customer shall place or deposit a sum not less than the amount of the shortfall, in the currency of Japanese Yen, with the FX Daily Futures Trading Member as FX Exchange Margin, not later than the time and date designated by the FX Daily Futures Trading Member, which date shall fall before the second trading day following the trading day on which the shortfall arises (any trading day that is a Japanese bank holiday shall be excluded for the purpose of recognition of the first and second trading days counted as aforesaid).

18.2 Where the provisions of Article 18.1 above apply in accordance with Article 17.2 hereof, the FX Daily Futures intermediate broker shall, acting as agent for an FX Daily Futures offeror, place or deposit with the FX Daily Futures Trading Member the full amount of the FX Exchange Margin received from the FX Daily Futures offeror.

18.3 No FX Daily Futures Customer shall be allowed to place FX Exchange Margin in the form of negotiable securities, but shall place it in the currency of Japanese Yen.

Article 19. Deposit of Ordering Margin

19.1 Before submitting a bid or offer for an FX Daily Futures contract based on an order of an FX Daily Futures Customer (excluding those who are Professional Investors as defined in Article 2, Paragraph 31 of the Act and who are regarded as Professional Investors pursuant to Article 34-3 of the Act), the concerned FX Daily Futures Trading Member shall require that the FX Daily Futures Customer deposit the FX Exchange Margin as a precondition for such submission (hereinafter called “Ordering Margin”) with the Exchange.

19.2 For the purpose of calculating an amount of Ordering Margin, if a loss is incurred by the FX Daily Futures Customer when the FX Daily Futures contract of such FX Daily Futures Customer is settled, the FX Daily Future Trading Member shall deduct the amount of such loss and, if a gain arises from the settlement thereof, the FX Daily Futures Trading Member may add the amount of such gain.

19.3 The amount of the Ordering Margin set forth in Articles 19.1 and 19.2 above shall be determined within a reasonable range by the FX Daily Futures Trading Member based on the FX Margin reference amount.

Article 20. FX Daily Futures Customer's Claim for Refund

20.1 If an FX Daily Futures customer has deposited an FX Margin, the FX Daily Futures customer shall be entitled to claim to the Exchange a refund of the FX Margin amount minus its FX Daily Futures customer Outstanding Obligation.

20.2 No FX Daily Futures customer shall be allowed to exercise its claim for refund of its FX Margin directly to the Exchange, unless the Exchange deems it necessary, and the FX Daily Futures customer's claim for refund as aforesaid shall be exercised through the concerned FX Daily Futures Trading Member (or with respect to Securities, etc. Clearing-Brokering Contracts, the FX Daily Futures Non-Clearing Member through which the FX Exchange Margin has been placed and its Designated Clearing Member).

Article 21. FX Daily Futures Offeror's Claim for Refund

21.1 If an FX Daily Futures offeror has deposited an FX Margin, the FX Daily Futures offeror shall be entitled to claim to the Exchange a refund of the FX Margin amount minus its FX Daily Futures offeror Outstanding Obligation.

21.2 No FX Daily Futures offeror shall be allowed to exercise its claim for refund of its FX Margin directly to the Exchange, unless the Exchange deems it necessary, and the FX Daily Futures offeror's claim for refund as aforesaid shall be exercised through the concerned FX Daily Futures intermediate broker and FX Daily Futures Trading Member (or with respect to Securities, etc. Clearing-Brokering Contracts, the FX Daily Futures

Non-Clearing Member who accepted the order of FX Daily Futures contract from the FX Daily Futures intermediate broker and its Designated Clearing Member).

Article 22. FX Daily Futures Intermediate broker's Claim for Refund

22.1 If an FX Daily Futures offeror has deposited an FX Margin, the concerned FX Daily Futures intermediate broker shall be entitled to claim to the Exchange a refund of the FX Margin in the amount equal to the FX Daily Futures offeror Outstanding Obligation (but excluding the FX Daily Futures intermediate broker Outstanding Obligation relevant to the FX Daily Futures offeror's FX Daily Futures contracts, if any).

22.2 No FX Daily Futures intermediate broker shall be allowed to exercise its claim for refund of its FX Margin directly to the Exchange, unless the Exchange deems it necessary, and the FX Daily Futures intermediate broker's claim for refund as aforesaid shall be exercised through the concerned FX Daily Futures Trading Member. (in the case of Securities, etc. Clearing-Brokering Contracts, through the FX Daily Futures Non-Clearing Member and its Designated Clearing Member who accepted orders for FX Daily Futures contracts from the FX Daily Futures intermediate broker).

Article 22-2. FX Margin Reference Amount Applied to Individual Customers

22-2.1 The FX Margin reference amount per trading unit of FX Daily Futures contract (hereinafter called "FX Margin reference amount for Individual Customer") which is applied to the FX Daily Futures Customer account position with respect to a customer who is referred to in Article 117, Paragraph 1, Item 27 of Cabinet Office Ordinance on Financial Instruments Businesses (Cabinet Office Ordinance No. 52 of 2007) (hereinafter called "Individual Customer") shall be obtained as the principal amount of the relevant type of FX Daily Futures contract multiplied with the percentage figure separately designated by the Exchange and translated into Japanese Yen amount by the average of the FX settlement prices of the relevant FX Daily Futures contract calculated from the Japanese Yen-equivalent amount of the said principal amount per its currency unit (with respect to Korean Won-Japanese Yen FX Daily Futures contract, the Japanese Yen-equivalent amount of the said principal amount per 100 units of such currency) on five (5) trading days prior to (and including) the last trading day of every week (hereinafter called "Calculation Date"), with any fraction of less than ten Japanese Yen amount being rounded up.

22-2.2 Notwithstanding Article 22-2.1 above, if the FX Margin reference amount for Non-individual Customer calculated pursuant to Article 22-3.1 hereof is larger than the FX Margin reference amount for Individual Customer calculated pursuant to Article 22-2.1 above, the amount equivalent to such FX Margin reference amount for Non-individual Customer may be used as the FX Margin reference amount for Individual Customer.

22-2.3 The FX Margin reference amount for Individual Customer shall apply from the first trading day through the last trading day in the second week following the week in which the relevant Calculation Date falls.

22-2.4 When the Exchange determines that it is inappropriate to determine the FX Margin reference amount pursuant to Articles 22-2.1, 22-2.2 and 22-2.3 above, it may determine the FX Margin reference amount deemed appropriate by it from time to time.

22-2.5 When the Exchange determines the FX Margin reference amount for Individual Customer, it shall notify the FX Daily Futures Trading Members of such FX Margin reference amount for Individual Customer and announce the same as well.

Article 22-3. FX Margin Reference Amount Applied to House Account Position or Non-Individual Customer Position

22-3.1 The FX Margin reference amount per trading unit of FX Daily Futures contract (hereinafter called “FX Margin reference amount for Non-individual Customer”) which is applied to a house account position or a customer account position of a Customer other than an Individual Customer (hereinafter called “Non-Individual Customer”) shall be calculated for each type of FX Daily Futures contract in accordance with the method set forth below:

- (1) With respect to each trading day during eight (8) weeks and one hundred and four (104) weeks preceding the week in which a certain Calculation Date falls (in either case, including such week), numerical value shall be calculated by dividing an FX Settlement Price on a certain trading day by that on the immediately preceding trading day.
- (2) The natural logarithm shall be taken with respect to each of the numerical

values for such eight (8) weeks and one hundred and four (104) weeks obtained pursuant to Article 22-3.1 (1) above respectively.

- (3) The standard deviation shall be obtained for the numerical values for such eight (8) weeks and one hundred and four (104) weeks obtained pursuant to Article 22-3.1 (2) above respectively.
- (4) Each of the numerical values for such eight (8) weeks and one hundred and four (104) weeks obtained pursuant to Article 22-3.1 (3) above shall be multiplied by 2.33.
- (5) The principal amount of the relevant type of FX Daily Futures contract shall be multiplied by each numerical value for such eight (8) weeks and one hundred and four (104) weeks obtained pursuant to Article 22-3.1 (4) above and translated into Japanese Yen amount by the average of the FX settlement prices of the relevant FX Daily Futures contract calculated from the Japanese Yen-equivalent amount of the said principal amount per its currency unit (with respect to Korean Won-Japanese Yen FX Daily Futures contract, the Japanese Yen-equivalent amount of the said principal amount per 100 units of such currency) on five (5) trading days prior to (and including) the Calculation Date, with any fraction of less than ten Japanese Yen amount being rounded up.
- (6) The larger of the amounts for such eight (8) weeks and one hundred and four (104) weeks obtained pursuant to Article 22-3.1 (5) above shall be the FX Margin reference amount for Non-Individual Customer.

22-3.2 The FX Margin reference amount for Non-Individual Customer shall apply from the first trading day through the last trading day in the second week following the week in which the relevant Calculation Date falls.

22-3.3 When the Exchange determines that it is inappropriate to determine the FX Margin reference amount for Non-individual Customer pursuant to Articles 22-3.1 and 22-3.2 above, it may determine the FX Margin reference amount for Non-individual Customer deemed appropriated by it from time to time.

22-3.4 When the Exchange determines the FX Margin reference amount for

Non-individual Customer, it shall notify the FX Daily Futures Trading Members of such FX Margin reference amount for Non-individual Customer and announce the same as well.

22-3.5 Notwithstanding Article 22-3.1 above, an FX Daily Futures Trading Member may apply an FX Margin reference amount for Individual Customer to Customer account position of Non-Individual Customer, provided, however, if the FX Margin reference amount for Non-Individual Customer is larger than the FX Margin reference amount for Individual Customer, it shall apply the amount equivalent to such FX Margin reference amount for Non-Individual Customer to such Customer account position of Non-Individual Customer.

Article 22-4. FX Margin Reference Amount Applied to FX Market Maker

22-4.1 Notwithstanding the provisions of Article 22-3.1, the FX Margin reference amount per trading unit of FX Daily Futures contract (hereinafter called “FX Margin reference amount for MM”) which is applied to positions with respect to MM bid and offer held by an FX Market Maker (meaning an FX Market Maker defined in Article 2 (4) of the FX Special Provisions; this definition shall similarly apply hereinafter) shall be obtained as the principal amount of the relevant type of FX Daily Futures contract multiplied by four hundredth (0.04) and translated into Japanese Yen amount by the average of the FX settlement prices of the relevant FX Daily Futures contract calculated from the Japanese Yen-equivalent amount of the said principal amount per its currency unit (with respect to Korean Won-Japanese Yen FX Daily Futures contract, the Japanese Yen-equivalent amount of the said principal amount per 100 units of such currency) on five (5) trading days prior to (and including) the Calculation Date, with any fraction of less than ten Japanese Yen amount being rounded up.

22-4.2 Notwithstanding the provisions of Article 22-4.1, if the FX Margin reference amount for Non-Individual Customer calculated pursuant to Article 22-3.1 hereof is larger than the FX Margin reference amount for MM calculated pursuant to Article 22-4.1 above, the amount equivalent to such FX Margin reference amount for Non-Individual Customer shall be the FX Margin reference amount for MM.

22-4.3 The FX Margin reference amount for MM shall apply from the first trading day through the last trading day in the second week following the week in which the relevant Calculation Date falls.

22-4.4 When the Exchange determines that it is inappropriate to determine the FX Margin reference amount for MM pursuant to Articles 22-4.1, 22-4.2 and 22-4.3 above due to fluctuation of foreign exchange rates or any other reason, it may determine the FX Margin reference amount for MM deemed appropriate by it from time to time.

22.4-5 When the Exchange determines the FX Margin reference amount for MM, it shall notify the FX Market Makers of such FX Margin reference amount for MM and announce the same as well.

Article 23. Drawing of FX Exchange Margin and Restriction

23.1 An FX Daily Futures Trading Member shall not allow an FX Daily Futures Customer to draw any FX Margin for FX Daily Futures contracts based on the FX Daily Futures Customer's order. Notwithstanding the foregoing, when the FX Margin amount is greater than the sum of the amount calculated for each type of FX Daily Futures contracts as set forth below, the FX Daily Futures Trading Member may permit drawing in an amount not exceeding such difference from the FX Exchange Margin.

- (1) The FX Margin reference amount multiplied by the total volume of short positions held or long positions held, which ever is greater
- (2) The absolute value of the fixed FX variation or unsettled FX variation, as the case may be, if it is less than zero

23.2 The FX Margin reference amount set forth in Article 23.1 (1) above may be increased, within a reasonable range, to an amount to be determined by an FX Daily Futures Trading Member.

Article 24. Refund of FX Exchange Margin

If FX Daily Futures contracts based on a certain FX Daily Futures Customer's order cease to exist as a result of notification or execution of offsetting transaction, if the Ordering Margin is no longer required to be deposited as a result of cancellation of the bid or offer for an FX Daily Futures contract, or if the FX Margin is available for drawing pursuant to Article 23 hereof, the concerned FX Daily Futures Trading Member shall, upon receipt of the FX Daily Futures Customer's claim for refund of the FX Exchange Margin,

refund to the FX Daily Futures Customer the FX Exchange Margin which such FX Daily Futures Trading Member is obligated to refund to such FX Daily Futures Customer without delay.

Article 25. Transfer of FX Variation for Settlement to FX Exchange Margin

25.1 If an FX Daily Futures Trading Member's notification or execution of offsetting transaction for a position relevant to any FX Daily Futures contract executed based on an FX Daily Futures Customer's order generates FX variation in relation to such position, the amount of the FX variation shall be transferred to FX Exchange Margin by 10:00 a.m. of the settlement date for the trading day on which the notification or execution of offsetting transaction is made.

25.2 When the Exchange deems necessary to do so, the Exchange may temporarily change the time and date for the transfer set forth in Article 25.1 above. In this case, the Exchange shall give an advance notice to that effect to the FX Daily Futures Trading Members.

CHAPTER III-II.

**TREATMENT OF FX MARGIN, ETC. UNDER COMBINED
MANAGEMENT**

Article 25-2. Purpose of this Chapter

The purpose of this Chapter III-II is to stipulate the treatment of the FX Exchange Margin and the Equity Index Exchange Margin (meaning the Equity Index Exchange Margin as defined in Article 2(1) of the Regulations for Margin and Unsettled Contracts for Equity Index Daily Futures Transactions (hereinafter called the "Equity Index Margin Regulations"); which interpretation shall equally apply hereinbelow) to be dealt with in an FX/Equity Index Daily Futures Transactions Account for Combined Management defined in Article 6-2-4.1 of the Brokering Terms between an FX Daily Futures Trading Member

who conducts Combined Management provided in Article 25-3.2 below (hereinafter called “Trading Member Conducting Combined Management”) and an FX Daily Futures Customer who has established such FX/Equity Index Daily Futures Transactions Account for Combined Management (hereinafter called “Customer under Combined Management”).

Article 25-3. Combined Management

25-3.1 An FX Daily Futures Trading Member may manage FX Exchange Margin and Equity Index Exchange Margin deposited by an FX Daily Futures Customer in an integrated manner in accordance with these Regulations, Equity Index Margin Regulations, the Brokering Terms and other conditions prescribed by the Exchange in order to make up a shortfall of either one of the said margins.

25-3.2 The management provided in Article 25-3.1 above (hereinafter called the “Combined Management”) may be conducted only with the consent of a Customer under Combined Management who has submitted an Agreement Concerning Establishment of FX/Equity Index Daily Futures Transactions Account for Combined Management.

Article 25-4. Deposit of FX Exchange Margin under Combined Management

25-4.1 Notwithstanding Article 18.1 hereof, if the amount of FX Exchange Margin of a Customer under Combined Management added by the Equity Index Excess Capacity Amount (if such Equity Index Excess Capacity Amount is negative, it shall be deemed as zero) falls short of the FX Margin-Required Amount and thus the FX Exchange Margin becomes deficient, a Trading Member Conducting Combined Management shall notify the Customer under Combined Management of the amount of such shortfall. In this case, the Customer under Combined Management shall place or deposit a sum not less than the amount of the shortfall, in the currency of Japanese Yen, with the Trading Member Conducting Combined Management as FX Exchange Margin, not later than the time and date designated by the Trading Member Conducting Combined Management, which date shall fall before the second trading day following the trading day on which the shortfall arises (any trading day that is a Japanese bank holiday shall be excluded for the purpose of recognition of the first and second trading days counted as aforesaid).

25-4.2 If all or part of the Equity Index Excess Capacity Amount is applied to the

shortfall of the FX Exchange Margin prescribed in Article 18 in accordance with Article 25-4.1 above, the amount so applied to the shortfall (up to the deposited Equity Index Exchange Margin) shall be added to the deposited FX Exchange Margin and deducted from the deposited Equity Index Exchange Margin of the Customer under Combined Management.

25-4.3 For the purpose of this Article 25-4, the “Equity Index Excess Capacity Amount” means an amount determined by a Trading Member Conducting Combined Management up to the amount after an adjustment of Fixed Equity Index variation as defined in Article 2(9) of Equity Index Margin Regulations to a deposited Equity Index Exchange Margin as defined in Article 2(2) of Equity Index Margin Regulations (if Fixed Equity Index variation is a positive number, the absolute value thereof shall be added and, if it is a negative number, the absolute value thereof shall be deducted) added by a gain to be obtained by a Customer under Combined Management or deducted by a loss to be incurred by such Customer under Combined Management upon settlement of Equity Index Daily Futures transactions, deducted by the absolute value of the difference between short positions and long positions of the Equity Index Daily Futures transactions held by the Customer under Combined Management multiplied by an Equity Index Margin reference amount calculated for each type of Equity Index Daily Futures transaction.

Article 25-5. Deposit of Ordering Margin under Combined Management

25-5.1 Notwithstanding Article 19.1 hereof, with respect to an Ordering Margin that a Trading Member Conducting Combined Management requires a Customer under Combined Management to deposit, the aggregate amount of the FX Exchange Margin and the Equity Index Excess Capacity Amount of the Customer under Combined Management shall meet the amount required as an Ordering Margin.

25-5.2 If all or part of the Equity Index Excess Capacity Amount is applied to the Ordering Margin in accordance with Article 25-5.1 above, the amount so applied to the Ordering Margin (up to the deposited Equity Index Exchange Margin) shall be added to the deposited FX Exchange Margin and deducted from the deposited Equity Index Exchange Margin of the Customer under Combined Management.

Article 25-6. Drawing of FX Exchange Margin and Restriction under Combined

Management

25-6.1 Notwithstanding the proviso to Article 9.1 and the proviso to Article 23.1, a Trading Member Conducting Combined Management may allow a Customer under Combined Management to draw the FX Exchange Margin in an amount not exceeding the lesser of the amounts set forth in the following items:

- (1) FX Exchange Margin deducted by the total of the following amounts:
 - (a) FX Margin reference amount multiplied by the larger of the total short positions or the total long positions held by the Customer under Combined Management; and
 - (b) The absolute value of the Fixed FX variation or Unsettled FX variation, as the case may be, if it is less than zero
- (2) The amount provided in Article 25-6.1(1) above added by the Equity Index Margin Amount and deducted by the total of the following amounts calculated for each issue of Equity Index Daily Futures transactions:
 - (a) Equity Index Margin reference amount of an issue of the relevant type of Equity Index Daily Futures transactions multiplied by the absolute value of the difference between the short positions and the long positions of such issue held by the Customer under Combined Management; and
 - (b) The absolute value of the Fixed Equity Index variation or Unsettled Equity Index variation, as the case may be, if it is less than zero

25-6.2 FX Margin reference amount set forth in Article 25-6.1(1) (a) and Equity Index Margin reference amount set forth in Article 25-6.1(2) (a) may be increased, within a reasonable range, to an amount to be determined by a Trading Member Conducting Combined Management.

Article 25-7. Control System for Loss-cut Transactions under Combined Management

A Trading Member Conducting Combined Management shall establish and maintain an appropriate system for controlling loss-cut transactions under Combined Management which it enters into with a Customer under Combined Management in accordance with the Brokering Terms.

CHAPTER IV.

TREATMENT UPON SUSPENSION FROM TRANSACTIONS OR OTHER MEASURES TAKEN

Article 26. Duties upon Suspension from Transactions or Other Measures Taken

26.1 Where an FX Daily Futures Trading Member becomes or is deemed likely to become insolvent and is thereby ordered any disciplinary measure pursuant to Articles 61 through 63 of the Trading Member Regulations, if the Exchange decides to cause the FX Daily Futures Trading Member to transfer Unsettled Positions of its FX Daily Futures Customers (except for FX Daily Futures offerors; this exception shall apply hereafter in this Article 26) to another FX Daily Futures Trading Member or liquidate such Unsettled Positions pursuant to Article 38.1 of Trading Member Regulations and Article 13.1 hereof, the FX Daily Futures Trading Member shall immediately notify the FX Daily Futures Customers of the fact of such imposition of the disciplinary measure. If an FX Daily Futures Customer receiving the said notice is an FX Daily Futures intermediate broker, the FX Daily Futures intermediate broker shall notify its FX Daily Futures offerors of the applicable matters according to the said notice.

26.2 If, due to imposition of any disciplinary measure on an FX Daily Futures Trading Member, the Exchange decides to cause the FX Daily Futures Trading Member to transfer Unsettled Positions of its FX Daily Futures Customers to another FX Daily Futures Trading Member or liquidate such Unsettled Positions pursuant to Article 38.1 of Trading Member Regulations and Article 13.1 hereof, the FX Daily Futures Customer concerned shall take either of the following actions.

- (1) If the FX Daily Futures Customer desires position transfer to another FX

Daily Futures Trading Member, it shall: (i) request another FX Daily Futures Trading Member to accept the position transfer and obtain its consent by the time and date designated by the Exchange, (ii) communicate the position transfer to the Suspended Member and (iii) establish an FX Daily Futures Transactions Account specified in Article 6-2 of the Brokering Terms with the position transferee.

- (2) If the FX Daily Futures Customer desires liquidation of the Unsettled Positions, it shall give an instruction on the liquidation to the Suspended Member by the time and date designated by the Exchange.

26.3 If an FX Daily Futures Customer fails to take either of the actions set forth in Items (1) and (2) of Article 26.2 above by the time and date designated by the Exchange, the Exchange shall liquidate the FX Daily Futures Customer's Unsettled Positions for its account in the manner designated by the Exchange.

26.4 Where the FX Daily Futures Customer is an FX Daily Futures intermediate broker, if an FX Daily Futures Trading Member having accepted an order or orders for FX Daily Futures transactions from the FX Daily Futures intermediate broker based on its FX Daily Futures offeror's request becomes a Suspended Member and the obligations assumed by the FX Daily Futures intermediate broker to the Suspended Member with respect to the FX Daily Futures contracts brokered by the FX Daily Futures intermediate broker become due and payable, the provisions of Articles 26.2 and 26.3 above shall apply *mutatis mutandis* to the FX Daily Futures offeror. In this case, the term "FX Daily Futures Customer" referred to in Articles 26.2 and 26.3 above shall be replaced with "FX Daily Futures offeror", and "Suspended Member" referred to in Article 26.2 hereof shall be replaced with "FX Daily Futures intermediate broker".

Article 27. Treatment of FX Daily Futures Customer's FX Margin for Transfer of Unsettled Positions

27.1 When an FX Daily Futures customer's Unsettled Positions are transferred to another FX Daily Futures Trading Member pursuant to Article 26 above, the FX Margin deposited or placed by the FX Daily Futures customer shall be deemed to have been deposited in the amount set forth in Article 20.1 hereof by the position transferee (if the position transferee is an FX Daily Futures Non-Clearing Member, such position transferee

and its Designated Clearing Member; the same shall apply in Article 27.2 below) acting as agent for the FX Daily Futures customer.

27.2 In the case set forth in Article 27.1 above, the FX Daily Futures customer's claim for refund of FX Margin shall, notwithstanding the provisions of Article 20.2 hereof, be exercised to the Exchange through the position transferee acting as agent for the FX Daily Futures customer.

27.3 If the amount of the FX Margin deemed to have been deposited by the FX Daily Futures customer pursuant to Article 27.1 above falls short of the requisite amount designated by the position transferee, the FX Daily Futures customer shall deposit an amount not less than the shortfall as FX Exchange Margin with the position transferee.

Article 28. Treatment of FX Daily Futures Offeror's FX Margin for Transferred Unsettled Positions

28.1 When an FX Daily Futures offeror's Unsettled Positions are transferred to another FX Daily Futures Trading Member pursuant to Article 26 hereof, the FX Margin deposited or placed by the FX Daily Futures offeror shall be deemed to have been deposited in the amount set forth in Article 21.1 hereof by the position transferee (if the position transferee is an FX Daily Futures Non-Clearing Member, such position transferee and its Designated Clearing Member; the same shall apply in Article 28.2 below) acting as agent for the FX Daily Futures customer.

28.2 In the case set forth in Article 28.1 above, the FX Daily Futures offeror's claim for refund of FX Margin shall, notwithstanding the provisions of Article 21.2 hereof, be exercised to the Exchange through the concerned FX Daily Futures intermediate broker and the position transferee acting as agent for the FX Daily Futures offeror.

28.3 If the amount of the FX Margin deemed to have been deposited by the FX Daily Futures offeror pursuant to Article 27.1 above falls short of the requisite amount designated by the position transferee, the FX Daily Futures offeror shall deposit an amount not less than the shortfall as FX Exchange Margin with the position transferee.

Article 29. Treatment of FX Daily Futures Customer's FX Margin for Liquidated

Positions

When an FX Daily Futures customer's Unsettled Positions are liquidated, the FX Daily Futures customer shall be entitled to exercise the claim for refund of its FX Margin deposited with the Exchange through the Suspended Member acting as agent for the FX Daily Futures customer, directly against the Exchange, to the extent of the amount of claim for refund set forth in Article 20.1 hereof, notwithstanding the provisions of Article 20.2 hereof.

Article 30. Treatment of FX Daily Futures Offeror's FX Margin for Liquidated Positions

When an FX Daily Futures offeror's Unsettled Positions are liquidated, the FX Daily Futures offeror shall be entitled to exercise the claim for refund of its FX Margin deposited with the Exchange through the concerned FX Daily Futures intermediate broker and the Suspended Member acting as agent for the FX Daily Futures offeror, directly against the Exchange, to the extent of the amount of claim for refund set forth in Article 21.1 hereof, notwithstanding the provisions of Article 21.2 hereof.

CHAPTER IV-II.

FX MARGIN FOR POSITION TRANSFER

Article 30-2. Treatment of FX Daily Futures Customer's FX Margin for Position Transfer

30-2.1 When an FX Daily Futures customer's Unsettled Positions are transferred to another FX Daily Futures Trading Member by the position transfer (meaning the position transfer defined in Article 91 of the Clearing Regulations; the same shall apply hereinbelow), the FX Margin deposited or placed by the FX Daily Futures customer shall be deemed to have been deposited in the amount set forth in Article 20.1 hereof by the position transferee (if the position transferee is an FX Daily Futures Non-Clearing Member,

such position transferee and its Designated Clearing Member; the same shall apply in Article 30-2.2 below) acting as agent for the FX Daily Futures customer.

30-2.2 In the case set forth in Article 30-2.1 above, the FX Daily Futures customer's claim for refund of FX Margin shall, notwithstanding the provisions of Article 20.2 hereof, be exercised to the Exchange through the position transferee acting as agent for the FX Daily Futures customer.

30-2.3 If the amount of the FX Margin deemed to have been deposited by the FX Daily Futures customer pursuant to Article 30-2.1 above falls short of the requisite amount designated by the position transferee, the FX Daily Futures customer shall deposit an amount not less than the shortfall as FX Exchange Margin with the position transferee.

Article 30-3. Treatment of FX Daily Futures Offeror's FX Margin for Position Transfer

30-3.1 When an FX Daily Futures offeror's Unsettled Positions are transferred to another FX Daily Futures Trading Member by the position transfer, the FX Margin deposited or placed by the FX Daily Futures offeror shall be deemed to have been deposited in the amount set forth in Article 21.1 hereof by the position transferee (if the position transferee is an FX Daily Futures Non-Clearing Member, such position transferee and its Designated Clearing Member; the same shall apply in Article 30-3.2 below) acting as agent for the FX Daily Futures customer.

30-3.2 In the case set forth in Article 30-3.1 above, the FX Daily Futures offeror's claim for refund of FX Margin shall, notwithstanding the provisions of Article 21.2 hereof, be exercised to the Exchange through the concerned FX Daily Futures intermediate broker and the position transferee acting as agent for the FX Daily Futures offeror.

30-3.3 If the amount of the FX Margin deemed to have been deposited by the FX Daily Futures offeror pursuant to Article 30-3.1 above falls short of the requisite amount designated by the position transferee, the FX Daily Futures offeror shall deposit an amount not less than the shortfall as FX Exchange Margin with the position transferee.

CHAPTER V.

MISCELLANEOUS PROVISIONS

Article 31. Change in Settlement Method, etc.

If the Exchange determines the conditions for postponement of the settlement dates or the clearing terms and conditions for FX Daily Futures contracts in accordance with Article 99 or 100 of the Clearing Regulations, the Exchange may change the deadline (time and date) for depositing of FX Exchange Margin under Articles 5 through 7 hereof and take necessary measures incidental to such change.

Article 32. Management of FX Exchange Margin

32.1 When the Exchange accepts deposit of FX Exchange Margin in cash, the Exchange shall manage the same in the manners prescribed by applicable laws and ordinances.

32.2 With respect to an FX Exchange Margin deposited by any FX Daily Futures Trading Member or its Customer, no interest or other consideration shall be payable by the Exchange.

SUPPLEMENTARY PROVISIONS

The amended Regulations shall take effect as from November 30, 2015.

SUPPLEMENTARY PROVISIONS

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

SUPPLEMENTARY PROVISIONS

The amended Regulations shall take effect as from June 9, 2017.

SUPPLEMENTARY PROVISIONS

The amended Regulations shall take effect as from June 26, 2017.

SUPPLEMENTARY PROVISIONS

The amended Regulations shall take effect as from July 3, 2017.

SUPPLEMENTARY PROVISIONS

The amended Regulations shall take effect as from February 1, 2021.

SUPPLEMENTARY PROVISIONS

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