

[English Translation]

**REGULATIONS FOR  
MARGIN AND UNSETTLED CONTRACTS FOR  
EQUITY INDEX DAILY FUTURES TRANSACTIONS**

**TOKYO FINANCIAL EXCHANGE INC.**

(This is an English translation of the Regulations for Margin and Unsettled Contracts for Equity Index Daily Futures Transactions, the original of which has been prepared in the Japanese language only. The Japanese language text hereof shall govern for all purposes and in all respects. Accordingly, all questions that may arise within or without courts of law in regard to the meaning of the words, provisions and stipulations of these 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.)

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for Equity Index Daily Futures Transactions  
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## **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 Equity Index Daily Futures transactions and other related matters in accordance with 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 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) “Equity Index Exchange Margin” means money deposited with the Exchange by an Equity Index Daily Futures Trading Member, etc. or an Equity Index Daily Futures Customer with respect to Equity Index Daily Futures transactions and bids and offers submitted related thereto for the purpose of ensuring the performance of the Equity Index Daily Futures Customer’s or the Equity Index Daily Futures Trading Member’s obligations relevant to the Equity Index Daily Futures transactions.
- (2) A “deposited Equity Index Exchange Margin” means the amount of the Equity Index Exchange Margin already deposited with the Exchange (including the Equity Index variation with respect to which the payment or receipt of money has been made pursuant to Article 13 or Article 22 hereof).
- (3) “Equity Index Margin” means the sum of (i) the amount of the Equity Index Exchange Margin already deposited with the Exchange by an

Equity Index Daily Futures Trading Member, etc. or an Equity Index Daily Futures Customer and (ii) the amount of the Fixed Equity Index variation, if greater than zero, of the Equity Index Daily Futures Trading Member, etc. or the Equity Index Daily Futures Customer.

- (4) An “Equity Index Margin Amount” means the amount of the Equity Index 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 Equity Index Daily Futures contract which has been executed for its own account of an Equity Index Daily Futures Trading Member, etc. (except for positions arisen based on an Equity Index Daily Futures Customer’s order).
- (6) A “Customer account position” and “Customer account short position” or “Customer account long position”, as the case may be, means the short or long positions relevant to an Equity Index Daily Futures contract which has been executed based on an Equity Index Daily Futures Customer’s order.
- (7) An “Equity Index Margin reference amount” means the Japanese Yen amount used as a reference amount for the Equity Index Exchange Margin to be deposited with the Exchange for a house account position or for a Customer account position, as calculated pursuant to the methods set forth in each Item of Article 4.1 or Article 4-2 hereof.
- (8) “Equity Index variation” means an Equity Index variation as defined in Article 90-19 of the Clearing Regulations.
- (9) “Fixed Equity Index variation” means the Equity Index variation before the payment and receipt of money pursuant to Articles 13 and 22 hereof with respect to the position to be settled.
- (10) “Unsettled Equity Index variation” means Equity Index variation other than Fixed Equity Index variation.

- (11) An “Equity Index Margin-Required Amount” means an Equity Index Margin reference amount calculated for each type of Equity Index Daily Futures transactions multiplied by the absolute value of the balance between the short position and long position held per issue as adjusted based on the amount of Equity Index variation, wherein (i) if the Equity Index variation is greater than zero, such Equity Index variation shall be subtracted and (ii) if the Equity Index variation is less than zero, the absolute value of such Equity Index variation shall be added.
- (12) A “shortfall” in Equity Index Exchange Margin under Articles 5 and 15 hereof means the absolute value of the difference between either the amount of Equity Index Exchange Margin or the deposited Equity Index Exchange Margin, *minus* the Equity Index Margin-Required Amount; provided, however, that, if the result of subtraction is a positive number, then the shortfall shall be zero.
- (13) An “Equity Index Daily Futures Trading Member(s), etc.” means Equity Index Daily Futures Trading Member(s), etc. set forth in Article 2.9 of the Trading Member Regulations.
- (14) An “Equity Index Daily Futures customer” means a customer (*itakusya*) for Equity Index Daily Futures transactions, “Equity Index Daily Futures offeror” means an offeror (*moshikomisya*) for Equity Index Daily Futures transactions, and “Equity Index Daily Futures intermediate broker” means an intermediate broker (*toritsugisya*) for Equity Index Daily Futures transactions. Any or all of Equity Index Daily Futures customers, Equity Index Daily Futures offerors and Equity Index Daily Futures intermediate brokers may be individually or collectively referred to as “Equity Index Daily Futures Customer(s)”.
- (15) A “Daily Futures Clearing Member” means Daily Futures Clearing Member set forth in Article 3.3 of the Clearing Regulations.
- (16) An “Equity Index Daily Futures Non-Clearing Member” means Equity Index Daily Futures Trading Member(s), etc. who does not hold Daily Futures Clearing Membership referred to in Article 3.2 (2) of the Clearing Regulations.

- (17) A “trading day” means, unless otherwise specified, a business day (as referred to in Article 7 of the Special Provisions for Trading Regulations for Equity Index Daily Futures Transactions (hereinafter referred to as the “Equity Index Special Provisions”)) for any type of Equity Index Daily Futures transactions.

### **Article 3. Purpose of Equity Index Margin**

3.1 Equity Index Margin shall be deposited with the Exchange by an Equity Index Daily Futures Customer or an Equity Index Daily Futures Trading Member, etc. to ensure the performance of its obligations relevant to Equity Index Daily Futures transactions.

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

### **Article 4. Calculation of Equity Index Margin Reference Amount**

4.1 Equity Index Margin reference amount per one (1) trading unit of an Equity Index Daily Futures transaction shall be calculated for each type of Equity Index Daily Futures transactions in accordance with the method set forth below.

- (1) A calendar day on which the opening time of the Market Trading Period of the last trading day of the week belongs shall be the Calculation Date. With respect to each trading day during eight (8) weeks and one hundred and four (104) weeks preceding and including the week in which a Calculation Date falls, an Equity Index Settlement Price of a certain trading day divided by that of the immediately preceding trading day shall be obtained. If there are different issues of the same type of Equity Index Daily Futures transaction during such eight (8) weeks and one hundred and four (104) weeks, the Equity Index Settlement Price of the issue with the longer period until the Reset Date shall be used.

- (2) With respect to each of the numerical values for such eight (8) weeks and one hundred and four (104) weeks obtained in Article 4.1(1) above, the natural logarithm thereof shall be taken.
- (3) The standard deviation of the numerical values for such eight (8) weeks and one hundred and four (104) weeks obtained in Article 4.1(2) above shall be obtained.
- (4) Each of the numerical values for such eight (8) weeks and one hundred and four (104) weeks obtained in Article 4.1(3) above shall be multiplied by 2.33.
- (5) Each of the numerical values for such eight (8) weeks and one hundred and four (104) weeks obtained in Article 4.1(4) above multiplied by the Equity Index Settlement Price of the trading day on which the Calculation Date falls and multiplied by a hundred (100) (with respect to DJIA Daily Futures transaction/contract with Reset Date and NASDAQ-100 Daily Futures transaction/contract with Reset Date, multiplied by ten (10)), with any fraction of less than ten Japanese Yen amount being rounded up, shall be the Equity Index Margin reference amount.
- (6) The larger of the amounts for such eight (8) weeks and one hundred and four (104) weeks obtained pursuant to Article 4.1(5) above shall be the Equity Index Margin reference amount.

4.2 The Equity Index Margin reference amount calculated in accordance with Article 4.1 above shall be applied from the first trading day through the last trading day in the second week following the week in which the Calculation Date falls.

4.3 If the Exchange determines it inappropriate to determine the Equity Index Margin reference amount in accordance with the provisions of Articles 4.1 and 4.2 above, the Exchange may determine the Equity Index Margin reference amount which the Exchange deems appropriate from time to time.

4.4 The Exchange shall calculate and announce the Equity Index Margin reference amount every week.

**Article 4-2. Equity Index Margin Reference Amount Applied to Equity Index Market Maker**

4-2.1 Notwithstanding the provisions of Article 4 above, the Equity Index Margin reference amount per trading unit of Equity Index Daily Futures contract (hereinafter called "Equity Index Margin reference amount for MM") which is applied to positions with respect to MM bid and offer held by an Equity Index Market Maker (meaning an Equity Index Market Maker defined in Article 2.1 (4) of the Equity Index Special Provisions; this definition shall similarly apply hereinafter) shall be obtained for each type of Equity Index Daily Futures contract as the Equity Index Settlement Price on the Calculation Date (meaning the Calculation Date as defined in Article 4.1 (1) above; the same shall apply in this Article) (if there are different issues of the same type of Equity Index Daily Futures contract on the Calculation Date, the Equity Index Settlement Price of the issue with the longer period until the Reset Date shall be used.) multiplied by one hundred (100) (with respect to DJIA Daily Futures transaction/contract with Reset Date and NASDAQ-100 Daily Futures transaction/contract with Reset Date, multiplied by ten (10)) and then by ten hundredth (0.10), with any fraction of less than ten Japanese Yen amount being rounded up.

4-2.2 Notwithstanding the provisions of Article 4-2.1, if the Equity Index Margin reference amount calculated pursuant to Article 4.1 is larger than the Equity Index Margin reference amount for MM calculated pursuant to Article 4-2.1 above, the amount equivalent to such Equity Index Margin reference amount shall be the Equity Index Margin reference amount for MM.

4-2.3 The Equity Index 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.

4-2.4 When the Exchange determines that it is inappropriate to determine the Equity Index Margin reference amount for MM pursuant to Articles 4-2.1, 4-2.2 and 4-2.3 above, it may determine the Equity Index Margin reference amount for MM deemed appropriate by it from time to time.

4-2.5 The Exchange shall determine the Equity Index Margin reference amount for MM

every week and announce the same.

## **CHAPTER II.**

### **RIGHTS AND DUTIES OF EQUITY INDEX DAILY FUTURES TRADING MEMBERS, ETC. IN REGARD TO EQUITY INDEX MARGINS**

#### **Section 1. Depositing of Equity Index Exchange Margin**

##### **Article 5. Separate Depositing**

5.1 When a Daily Futures Clearing Member executed an Equity Index Daily Futures contract in its own name, or when the deposited Equity Index Exchange Margin becomes deficient, the Daily Futures Clearing Member shall deposit the stated amount of Equity Index Exchange Margin or the amount equal to the shortfall as the Equity Index Exchange Margin with the Exchange in accordance with the classifications set forth in Article 5.3 below in the manner separately prescribed by the Exchange, by 10:00 a.m. of the second trading day following the trading day on which the obligation to deposit the same 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).

5.2 Equity Index Daily Futures Non-Clearing Member shall place the stated amount of Equity Index Exchange Margin with its Designated Clearing Member in accordance with the classifications set forth in Items (4) through (6) of Article 5.3 below.

5.3 Equity Index Exchange Margin to be deposited hereunder shall be classified as set forth 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 7.1 hereof
- (3) Those deposited for the Customer account position of Daily Futures Clearing Member by way of advanced deposit set forth in Article 8.1 hereof
- (4) Those deposited for Equity Index Daily Futures Non-Clearing Member's house account;
- (5) Those deposited for the Customer account position of Equity Index Daily Futures Non-Clearing Member by way of direct deposit set forth in Article 7.1 hereof
- (6) Those deposited for the Customer account position of Equity Index Daily Futures Non-Clearing Member by way of advanced deposit set forth in Article 8.1 hereof

5.4 The deposit pursuant to the proviso to Article 6.3 hereof shall be handled in accordance with the classifications set forth in Article 5.3 (3) above.

5.5 An Equity Index Daily Futures Trading Member, etc. shall furnish the Exchange with the documents relating to the Equity Index Exchange Margins in accordance with the conditions separately prescribed by the Exchange.

#### **Article 6. Equity Index Exchange Margin for House Account Positions**

6.1 Each Equity Index Daily Futures Trading Member, etc. shall deposit with the Exchange an Equity Index Exchange Margin in the amount not less than the Equity Index Margin-Required Amount applicable to its house account positions in the manner prescribed by the Exchange.

6.2 Equity Index Exchange Margin shall not be deposited in the form of negotiable securities, but shall be deposited in the currency of Japanese yen.

6.3 Each Equity Index Daily Futures Non-Clearing Member shall cause its

Designated Clearing Member acting as its agent to deposit the Equity Index Exchange Margin with the Exchange. If the Equity Index Daily Futures Non-Clearing Member fails to deposit all or part of the Equity Index Exchange Margin, the Designated Clearing Member may deposit from its own property an amount not less than the said Equity Index Exchange Margin by way of advanced deposit, until the trading day immediately following the trading day on which such Equity Index Daily Futures Non-Clearing Member deposits all of the requisite Equity Index Exchange Margin 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).

6.4 In addition to these Regulations, any other necessary matters with respect to Equity Index Exchange Margin for Equity Index Daily Futures transactions shall be separately prescribed by the Exchange.

#### **Article 7. Direct Depositing of Equity Index Exchange Margin**

7.1 If an Equity Index Daily Futures Trading Member, etc. receives an Equity Index Exchange Margin from an Equity Index Daily Futures Customer in accordance with Article 15 or Article 22-4 hereof, the Equity Index Daily Futures Trading Member, etc. shall immediately report that effect to the Exchange and deposit the full amount of the Equity Index Exchange Margin with the Exchange as an agent for the Equity Index Daily Futures Customer in the manner separately prescribed by the Exchange (such manner of depositing being hereinafter called “direct deposit(ing)”).

7.2 If the Equity Index Daily Futures Trading Member, etc. who receives an Equity Index Exchange Margin is an Equity Index Daily Futures Non-Clearing Member, such Equity Index Exchange Margin shall be deposited with the Exchange through such Equity Index Daily Futures Non-Clearing Member and its Designated Clearing Member both acting as agents of the Customer.

#### **Article 8. Advanced Depositing of Equity Index Exchange Margin by Equity Index Daily Futures Trading Member, etc.**

8.1 Where an Equity Index Daily Futures Customer is required to deposit an additional amount of Equity Index Exchange Margin pursuant to Article 15 or Article 22-4

hereof, if the Equity Index Exchange Margin relevant to the Equity Index Daily Futures Customer's order has not yet been deposited with the Exchange, the concerned Equity Index Daily Futures Trading Member, etc. shall deposit the Equity Index Exchange Margin in an amount not less than the amount of the shortfall from its own property on behalf of such Equity Index Daily Futures Customer (such manner of depositing being hereinafter called the "advanced deposit(ing)") by 10:00 a.m. on 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).

8.2 In the case of advanced depositing by an Equity Index Daily Futures Trading Member, etc. pursuant to in Article 8.1 above, such advanced deposit may be made or continued at any time within three (3) trading days after the trading day on which the said advanced deposit was made (any trading day that is a Japanese bank holiday shall be excluded for the purpose of recognition of the trading days during the period from the trading day on which the advanced deposit was made through the third trading day following such trading day as aforesaid).

## **Section 2. Claim for Refund of Equity Index Margin**

### **Article 9. Claim for Refund of Equity Index Margin**

9.1 Each Equity Index Daily Futures Trading Member, etc. or Equity Index Daily Futures Customer shall be entitled to claim to the Exchange a refund of the money in the amount equal to the Equity Index Margin Amount deposited with the Exchange.

9.2 Notwithstanding the provisions of Article 9.1 above, a Daily Futures Clearing Member, an Equity Index Daily Futures Non-Clearing Member or an Equity Index Daily Futures Customer shall be entitled to claim to the Exchange a refund of the Equity Index Margin placed or 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 Equity Index Daily Futures transactions which remain outstanding and payable by a Daily Futures Clearing Member to the Exchange shall be hereinafter called the "Equity Index Daily Futures Clearing Member Outstanding

Obligation”, the amount of those payable by an Equity Index Daily Futures Non-Clearing Member to its Designated Clearing Member shall be hereinafter called the “Equity Index Daily Futures Non-Clearing Member Outstanding Obligation”, the amount of those payable by an Equity Index Daily Futures customer to an Equity Index Daily Futures Trading Member, etc. with whom it has placed Equity Index Exchange Margin shall be hereinafter called the “Equity Index Daily Futures Customer Outstanding Obligation”, the amount of those payable by an Equity Index Daily Futures intermediate broker to an Equity Index Daily Futures Trading Member, etc. with whom it has placed Equity Index Exchange Margin shall be hereinafter called the “Equity Index Daily Futures Intermediate Broker Outstanding Obligation”, or the amount of those payable by an Equity Index Daily Futures offeror to an Equity Index Daily Futures intermediate broker with whom it has placed Equity Index Exchange Margin shall be hereinafter called the “Equity Index Daily Futures Offeror Outstanding Obligation.”

- (1) With respect to Equity Index Margin deposited with the Exchange by an Equity Index Daily Futures Trading Member, etc. 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 Equity Index Margin deposited by it *plus* the Equity Index Daily Futures Non-Clearing Member Outstanding Obligation out of the Equity Index Margin deposited by the Equity Index Daily Futures Non-Clearing Member (and, *minus* the Equity Index Daily Futures Clearing Member Outstanding Obligation, if any); and

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

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

- (2) With respect to Equity Index Margin deposited by an Equity Index

Daily Futures Customer with the Exchange by direct deposit

- (a) Where the claimant is an Equity Index Daily Futures Customer:

The amount claimable by the Equity Index Daily Futures Customer shall be the amount of the Equity Index Margin deposited by it minus its Equity Index Daily Futures Customer Outstanding Obligation (or the Equity Index Daily Futures Offeror Outstanding Obligation if the Equity Index Daily Futures Customer is an Equity Index Daily Futures offeror);

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

The amount claimable by the Daily Futures Clearing Member shall be the amount of the Equity Index Margin (less its Equity Index Daily Futures Clearing Member Outstanding Obligation relevant to the Equity Index Daily Futures transactions of its Equity Index Daily Futures Customers, if any) minus: (i) the amount of (a) above, (ii) the amount of the relevant Equity Index Daily Futures intermediate broker's claim for refund set forth in Article 19.1 hereof and (iii) the amount of (c) below; and

- (c) Where the claimant is an Equity Index Daily Futures Non-Clearing Member:

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

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

The amount claimable by the Equity Index Daily Futures Non-Clearing Member shall be the amount of the Equity Index Daily Futures Customer Outstanding Obligation minus the Equity Index Daily Futures Non-Clearing

Member Outstanding Obligation; and

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

The amount claimable by the Equity Index Daily Futures Non-Clearing Member shall be the amount of the Equity Index Daily Futures Intermediate Broker Outstanding Obligation minus the Equity Index Daily Futures Non-Clearing Member Outstanding Obligation.

- (3) With respect to Equity Index Exchange Margin deposited by an Equity Index Daily Futures Trading Member, etc. in whole or in part for an Equity Index Daily Futures Customer's Equity Index Daily Futures transactions by advanced deposit in accordance with Article 8 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 Equity Index Exchange Margin deposited by it by advanced deposit (less the Equity Index Daily Futures Clearing Member Outstanding Obligation relevant to the Equity Index Daily Futures Customer with respect to the Equity Index Margin deposited by the Equity Index Daily Futures Customer, if any) minus the amount of (b) below; and

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

The amount claimable by the Equity Index Daily Futures Non-Clearing Member shall be the amount of the Equity Index Margin deposited by it by advanced deposit (less the Equity Index Daily Futures Non-Clearing Member Outstanding Obligation relevant to the Equity Index Daily Futures Customer with respect to the Equity Index Margin deposited by the Equity

Index Daily Futures Customer, if any).

9.3 An Equity Index Daily Futures Trading Member, etc. or an Equity Index Daily Futures Customer shall exercise the claim for refund of the Equity Index Margin by drawing of the Equity Index Exchange Margin set forth in Article 11 hereof.

**Article 10. Refund of Equity Index Exchange Margin**

10.1 If an Equity Index Daily Futures Trading Member, etc. who is an Equity Index Daily Futures Non-Clearing Member claims a refund to the Exchange with respect to the Equity Index Exchange Margin deposited in accordance with Articles 6.1 and 6.3 hereof, the Exchange shall make the refund to the Designated Clearing Member acting as an agent for the Equity Index Daily Futures Non-Clearing Member.

10.2 If a refund is claimed by a person set forth in each Item below with respect to the Equity Index Exchange Margin deposited by it in accordance with Article 7 hereof, the Exchange shall refund the Equity Index 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 Equity Index 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 Equity Index 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 Equity Index Daily Futures Customer (only who enters into transactions with an Equity Index Daily Futures Non-Clearing Member):

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

10.3 If a refund is claimed by a person set forth in each Item below with respect to the Equity Index Exchange Margin deposited by it in accordance with Article 8 hereof, the Exchange shall refund the Equity Index 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 Equity Index Daily Futures Non-Clearing Member:

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

#### **Article 11. Drawing of Equity Index Exchange Margin and Restriction Thereon**

11.1 No Equity Index Daily Futures Trading Member, etc. shall be allowed to draw the Equity Index Margin for its house account position and Customer account position; provided, however, that where the Equity Index Margin Amount exceeds the sum of the amounts set forth below calculated for each issue of Equity Index Daily Futures transactions, the Equity Index Daily Futures Trading Member, etc. shall be allowed to draw the Equity Index Exchange Margin in an amount not exceeding the excess amount in accordance with the conditions separately prescribed by the Exchange.

- (1) 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 it

- (2) The absolute value of the Fixed Equity Index variation or the Unsettled Equity Index variation, as the case may be, if it is less than zero

11.2 If the Equity Index Exchange Margin to be drawn pursuant to the Article 11.1 above is for an Equity Index Daily Futures Customer's position, the drawing claimed by the Equity Index Daily Futures Trading Member, etc. shall be based on the Equity Index Daily Futures Customer's request.

11.3 No Equity Index Daily Futures Trading Member, etc. shall be allowed to draw the Equity Index Exchange Margin deposited with the Exchange by advanced depositing pursuant to Article 8 hereof; provided, however, where the advanced deposit becomes no longer necessary, the Equity Index Daily Futures Trading Member, etc. shall be entitled to draw the Equity Index Exchange Margin to the extent of the amount for which advanced depositing is no longer required.

## **Article 12. Disbursement of Equity Index Exchange Margin**

In the event of a claim for drawing of Equity Index Exchange Margin pursuant to Article 11 hereof, the portion attributable to an Equity Index Daily Futures Customer shall be disbursed by the Exchange to the Equity Index Daily Futures Trading Member, etc. as its agent (if the Equity Index Daily Futures Trading Member, etc. is an Equity Index Daily Futures Non-Clearing Member, the Equity Index Daily Futures Trading Member, etc. and its Designated Clearing Member).

## **Article 13. Payment and Receipt of Money Relevant to Fixed Equity Index Variation**

13.1 In the event that the notification or execution of offsetting transaction (meaning the "notification or execution of offsetting notification" defined in Article 90-18.1 of the Clearing Regulations; the same interpretation shall equally apply hereinafter) is conducted by an Equity Index Daily Futures Trading Member, etc. for the positions arising under the Equity Index Daily Futures transactions for its own account and there exists Fixed Equity

Index variation as a consequence of such notification or execution, payment and receipt of money relevant to the Fixed Equity Index variation shall be made by 10:00 a.m. on the final settlement date (meaning the final settlement date referred to in Articles 4.2 and 4.3 of the Equity Index Special Provisions; the same interpretation shall equally apply hereinafter) of the trading day on which the notification or execution of offsetting transaction was made.

13.2 The Exchange may change the time and date of the payment and receipt of money set forth in Article 13.2 above temporarily when it deems necessary to do so. In this case, the Exchange shall notify the Equity Index Daily Futures Trading Members, etc. to that effect in advance.

### **CHAPTER III.**

## **EQUITY INDEX MARGIN FOR CUSTOMER ACCOUNT POSITIONS**

### **Article 14. Purpose of this Chapter**

14.1 The purpose of this Chapter III is to stipulate the relationship between Equity Index Daily Futures Customers and Equity Index Daily Futures Trading Members, etc.

14.2 Notwithstanding the provisions of Article 14.1 above, the relationship between an Equity Index Daily Futures Customer who is an Equity Index Daily Futures intermediate broker (*toritsugisya*) and an Equity Index Daily Futures offeror (*moshikomisy*) shall be treated in the same manner as between an Equity Index Daily Futures Trading Member, etc. and an Equity Index Daily Futures customer (*itakusya*) for the purpose of the treatment of transactions. In this case, Article 17 hereof shall be excluded in the application of this Chapter III, and, except for Articles 15.2, 18, 19 and 22, the term “Equity Index Daily Futures Trading Member(s), etc.” shall be read as “Equity Index Daily Futures intermediate broker(s)”, the term “Transferee Equity Index Daily Futures Trading Member(s), etc.” shall be read as “Equity Index Daily Futures intermediate broker(s) acting vis-à-vis Transferee Equity Index Daily Futures Trading Member(s), etc.”, the term “Equity Index Daily Futures Customer(s)” shall be read as “Equity Index Daily Futures

offeror(s)” and the term “order” place by an Equity Index Daily Futures Customer or any equivalent expression thereof shall be read as “offer for intermediation of ordering” respectively.

#### **Article 15. Deposit of Equity Index Exchange Margin**

15.1 If an Equity Index Daily Futures Customer’s amount of Equity Index Exchange Margin falls short of the Equity Index Margin-Required Amount on any trading day and thus the Equity Index Exchange Margin becomes deficient, the concerned Equity Index Daily Futures Trading Member, etc. shall notify the Equity Index Daily Futures Customer of the amount of the shortfall. In this case, the Equity Index Daily Futures Customer shall place or deposit the sum not less than the notified amount in the currency of Japanese yen with the Equity Index Daily Futures Trading Member, etc. as the Equity Index Exchange Margin, not later than the time and date designated by the Equity Index Daily Futures Trading Member, etc, which date shall fall on or prior to the second trading day following the trading day on which such 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).

15.2 Where the provisions of Article 15.1 above apply in accordance with Article 14.2 hereof, the Equity Index Daily Futures intermediate broker shall, acting as agent for an Equity Index Daily Futures offeror, place or deposit with the Equity Index Daily Futures Trading Member, etc. the full amount of the Equity Index Exchange Margin received from the Equity Index Daily Futures offeror.

15.3 An Equity Index Daily Futures Customer shall not deposit the Equity Index Exchange Margin in the form of negotiable securities, but shall deposit the same in the currency of Japanese yen.

#### **Article 16. Deposit of Ordering Margin**

16.1 Before submitting a bid or offer for an Equity Index Daily Futures contract based on an Equity Index Daily Futures Customer’s order, the concerned Equity Index Daily Futures Trading Member, etc. may require that the Equity Index Daily Futures Customer deposit the Equity Index Exchange Margin as a precondition for such submission

(hereinafter called the “Ordering Margin”) with the Exchange.

16.2 An Equity Index Daily Futures Trading Member, etc. shall demand of an individual customer (excluding the qualified institutional investors set forth in Article 2, Paragraph 31, Item 1 of the Financial Instruments and Exchange Act and those deemed as the specified investors pursuant to Article 34-4 of the same Act) the deposit of Ordering Margin with the Exchange.

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

16.4 The amount of the Ordering Margin set forth in Articles 16.1,16.2 and 16.3 above shall be determined within a reasonable range by each Equity Index Daily Futures Trading Member, etc. based on the Equity Index Margin reference amount.

#### **Article 17. Equity Index Daily Futures Customer’s Claim for Refund**

17.1 If an Equity Index Daily Futures customer deposited the Equity Index Margin, it shall be entitled to claim to the Exchange a refund of the Equity Index Margin in the amount equal to the Equity Index Margin Amount minus the Equity Index Daily Futures Customer Outstanding Obligation.

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

#### **Article 18. Equity Index Daily Futures Offeror’s Claim for Refund**

18.1 If an Equity Index Daily Futures offeror deposited the Equity Index Margin, it shall be entitled to claim to the Exchange a refund of the Equity Index Margin in the amount equal to the Equity Index Margin Amount minus the Equity Index Daily Futures Offeror Outstanding Obligation.

18.2 No Equity Index Daily Futures offeror shall be allowed to exercise its claim for refund of the Equity Index Margin directly to the Exchange, unless the Exchange deems it necessary, and the Equity Index Daily Futures offeror's claim for refund as aforesaid shall be exercised through the concerned Equity Index Daily Futures intermediate broker and the Equity Index Daily Futures Trading Member, etc. (or with respect to Securities, etc. Clearing-Brokering Contracts, the Equity Index Daily Futures Non-Clearing Member who accepted the order of Equity Index Daily Futures contract from the Equity Index Daily Futures intermediate broker and its Designated Clearing Member).

**Article 19. Equity Index Daily Futures intermediate broker's Claim for Refund**

19.1 If an Equity Index Daily Futures offeror deposited the Equity Index Margin, the concerned Equity Index Daily Futures intermediate broker shall be entitled to claim to the Exchange a refund of the Equity Index Margin in the amount equal to the Equity Index Daily Futures Offeror Outstanding Obligation (less the Equity Index Daily Futures Intermediate Broker Outstanding Obligation relevant to the Equity Index Daily Futures transactions of the Equity Index Daily Futures offeror, if any).

19.2 No Equity Index Daily Futures intermediate broker shall be allowed to exercise its claim for refund of the Equity Index Margin directly to the Exchange, unless the Exchange deems it necessary, and the Equity Index Daily Futures intermediate broker's claim for refund as aforesaid shall be exercised through the concerned Equity Index Daily Futures Trading Member, etc. (or with respect to Securities, etc. Clearing-Brokering Contracts, the Equity Index Daily Futures Non-Clearing Member who accepted the order of Equity Index Daily Futures contract from the Equity Index Daily Futures intermediate broker and its Designated Clearing Member).

**Article 20. Drawing of Equity Index Exchange Margin and Restriction thereon**

20.1 An Equity Index Daily Futures Trading Member, etc. shall not allow an Equity Index Daily Futures Customer to draw any Equity Index Margin for the Equity Index Daily Futures transactions based on the Equity Index Daily Futures Customer's order; provided, however, that when the Equity Index Margin Amount exceeds the sum of the amounts set forth below calculated for each issue of Equity Index Daily Futures transactions, the Equity Index Daily Futures Trading Member, etc. may permit drawing in an amount not exceeding the excess amount.

- (1) 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 it
- (2) The absolute value of the Fixed Equity Index variation or the Unsettled Equity Index variation, as the case may be, if it is less than zero

20.2 An Equity Index Daily Futures Trading Member, etc. may add the amount deemed necessary by it to the Equity Index Margin reference amount referred to in Article 20.1(1) above.

20.3 If an Equity Index Daily Futures Trading Member, etc. adds the amount deemed necessary by it to the Equity Index Margin reference amount under Article 20.2 above, the term "Equity Index Margin reference amount" in Article 20.1(1) hereof shall be read as "the sum of the Equity Index Margin reference amount and the amount added by the Equity Index Daily Futures Trading Member, etc."

## **Article 21. Refund of Equity Index Exchange Margin**

In the case that Equity Index Daily Futures transactions based on an Equity Index Daily Futures Customer's order ceased to exist as a result of the notification or execution of offsetting transaction (meaning the "notification or execution of offsetting notification" defined in Article 90-18.1 of the Clearing Regulations; the same interpretation shall equally apply hereinafter) for the unsettled Equity Index Daily Futures transactions based on the Equity Index Daily Futures Customer's order, that the deposit of ordering margin is no longer required due to cancellation of the bids and/or offers for an Equity Index Daily

Futures contract, or that otherwise there exists the Equity Index Exchange Margin available for drawing under Article 20 above, an Equity Index Daily Futures Trading Member, etc. shall, upon instruction of the claim by the Equity Index Daily Futures Customer for drawing of the Equity Index Exchange Margin from the Exchange, refund the Equity Index Exchange Margin for which it is obliged to make refund to the Equity Index Daily Futures Customer without delay.

**Article 22. Payment and Receipt of Money Relevant to Fixed Equity Index Variation**

22.1 In the event that the notification or execution of offsetting transaction is conducted by an Equity Index Daily Futures Trading Member, etc. for the positions arising under the Equity Index Daily Futures transactions based on an Equity Index Daily Futures Customer's order and there exists Fixed Equity Index variation as a consequence of such notification or execution, payment and receipt of money relevant to the Fixed Equity Index variation shall be made by 10:00 a.m. on the final settlement date of the trading day on which the notification or execution of offsetting transaction was made.

22.2 The Exchange may change the time and date of the payment and receipt of money set forth in Article 22.1 above temporarily when it deems it necessary. In this case, it shall notify the Equity Index Daily Futures Trading Members, etc. of that effect in advance.

**CHAPTER III-II.**

**TREATMENT OF EQUITY INDEX MARGIN, ETC.  
UNDER COMBINED MANAGEMENT**

**Article 22-2. Purpose of this Chapter**

The purpose of this Chapter III-II is to stipulate the treatment of the Equity Index Exchange Margin and the FX Exchange Margin (meaning the FX Exchange Margin as

defined in Article 2(1) of the Regulations for Margin and Unsettled Contracts for FX Daily Futures Transactions (hereinafter called the “FX 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 Equity Index Daily Futures Trading Member who conducts Combined Management provided in Article 22-3.2 below (hereinafter called “Trading Member Conducting Combined Management”) and an Equity Index Daily Futures Customer who has established such FX/Equity Index Daily Futures Transactions Account for Combined Management (hereinafter called “Customer under Combined Management”).

### **Article 22-3 Combined Management**

22-3.1 An Equity Index Daily Futures Trading Member may manage Equity Index Exchange Margin and FX Exchange Margin deposited by an Equity Index Daily Futures Customer in an integrated manner in accordance with these Regulations, FX 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.

22-3.2 The management provided in Article 22-3.1 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 22-4 Deposit of Equity Index Exchange Margin under Combined Management**

22-4.1 Notwithstanding Article 15.1 hereof, if the amount of Equity Index Exchange Margin of a Customer under Combined Management added by the FX Excess Capacity Amount (if such FX Excess Capacity Amount is negative, it shall be deemed as zero) falls short of the Equity Index Margin-Required Amount and thus the Equity Index 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 Equity Index 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.)

22-4.2 If all or part of the FX Excess Capacity Amount is applied to the shortfall of the Equity Index Exchange Margin prescribed in Article 15 in accordance with Article 22-4.1 above, the amount so applied to the shortfall (up to the deposited FX Exchange Margin) shall be added to the deposited Equity Index Exchange Margin and deducted from the deposited FX Exchange Margin of the Customer under Combined Management.

22-4.3 For the purpose of this Article 22-4, the “FX Excess Capacity Amount” means an amount determined by a Trading Member Conducting Combined Management up to the amount after an adjustment of Fixed FX variation as defined in Article 2(9) of FX Margin Regulations to a deposited FX Exchange Margin as defined in Article 2(2) of FX Margin Regulations (if Fixed FX 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 FX Daily Futures transactions, deducted by the larger of the total short positions or the total long positions of the FX Daily Futures transactions held by the Customer under Combined Management multiplied by an FX Margin reference amount calculated for each type of FX Daily Futures transaction.

#### **Article 22-5      Deposit of Ordering Margin under Combined Management**

22-5.1 Notwithstanding Article 16.1 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 Equity Index Exchange Margin and the FX Excess Capacity Amount of the Customer under Combined Management shall meet the amount required as an Ordering Margin.

22-5.2 If all or part of the FX Excess Capacity Amount is applied to the Ordering Margin in accordance with Article 22-5.1 above, the amount so applied to the Ordering Margin (up to the deposited FX Exchange Margin) shall be added to the deposited Equity Index

Exchange Margin and deducted from the deposited FX Exchange Margin of the Customer under Combined Management.

## **Article 22-6 Drawing of Equity Index Exchange Margin and Restriction under Combined Management**

22-6.1 Notwithstanding the proviso to Article 11.1 and the proviso to Article 20.1, a Trading Member Conducting Combined Management may allow a Customer under Combined Management to draw the Equity Index Exchange Margin in an amount not exceeding the lesser of the amounts set forth in the following items:

- (1) Equity Index Exchange Margin 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
- (2) The amount provided in Article 22-6.1(1) above added by the FX Margin Amount and 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

22-6.2 Equity Index Margin reference amount set forth in Article 22-6.1(1)(a) and FX

Margin reference amount set forth in Article 22-6.1(2)(a) may be increased, within a reasonable range, to an amount to be determined by a Trading Member Conducting Combined Management.

**Article 22-7. 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 23. Suspension of Refund of Equity Index Margin upon Suspension from Transactions or Other Measures Taken**

If an Equity Index Daily Futures Trading Member, etc. becomes or is deemed likely to become insolvent, and is thereby ordered suspension from or restriction on transactions or other measures (hereinafter called the “Suspension from Transactions or Other Measures”) pursuant Articles 61 through 63 of the Trading Member Regulations, the Exchange shall temporarily refrain from refunding the Equity Index Margin to the Equity Index Daily Futures Trading Member, etc. subject to the Suspension from Transactions or Other Measures (hereinafter called the “Suspended Equity Index Daily Futures Trading Member, etc.”) and its Equity Index Daily Futures Customers as well as the Equity Index Daily Futures Trading Members, etc. who deposited the Equity Index Exchange Margins through the Suspended Equity Index Daily Futures Trading Member, etc. acting as their agent and their Equity Index Daily Futures Customers.

**Article 24. Treatment of Unsettled Contracts based on Orders of Equity Index Daily Futures Customers of Suspended Equity Index Daily Futures Trading Member, etc.**

24.1 Once the Suspension from Transaction or Other Measures are imposed on a Suspended Equity Index Daily Futures Trading Member, etc., the Suspended Equity Index Daily Futures Trading Member, etc. shall forthwith inform its Equity Index Daily Futures Customers (except for Equity Index Daily Futures offerors, this exception shall apply hereinafter in Articles 21 through 26 hereof) to that effect. If the Exchange determines to require transfer to other Equity Index Daily Futures Trading Member, etc. (hereinafter called the "Transfer") or liquidation pursuant to Article 38.1 of the Trading Member Regulations with respect to the unsettled contracts based on any order by the Equity Index Daily Futures Customer of the Suspended Equity Index Daily Futures Trading Member, etc., the Suspended Equity Index Daily Futures Trading Member, etc. shall inform those Equity Index Daily Futures Customers of that effect and other necessary matters as well. In this case, the Equity Index Daily Futures intermediate brokers notified by the Equity Index Daily Futures Trading Member, etc. shall make the same notification as such notification to the Equity Index Daily Futures offerors.

24.2 The Transfer set forth in Article 24.1 above shall be implemented when any of the Equity Index Daily Futures Customers of the Suspended Equity Index Daily Futures Trading Member, etc. requests another Equity Index Daily Futures Trading Member, etc. to accept such Transfer (hereinafter called the "Transferee Equity Index Daily Futures Trading Member, etc.") and notifies the Suspended Equity Index Daily Futures Trading Member, etc. of the acceptance of the Transferee Equity Index Daily Futures Trading Member, etc. by the time and date designated by the Exchange and the Transferee Equity Index Daily Futures Trading Member, etc. delivers a written consent to the Transfer to the Exchange by the time and date designated by the Exchange. In this case, the Exchange shall cause the prices designated by the Exchange to be accepted as the contract prices of the unsettled contracts thus transferred, and the Equity Index Daily Futures Customers shall open an Equity Index Daily Futures Transactions Account set forth in Article 6-2.2 of the Brokering Terms with the Transferee Equity Index Daily Futures Trading Member, etc.

24.3 The liquidation set forth in Article 24.1 above shall be implemented in the manner prescribed by Exchange, when the Suspended Equity Index Daily Futures Trading Member, etc. informs the Exchange of such liquidation based on its Equity Index Daily

Futures Customer's instruction given by the time and date designated by the Exchange.

24.4 If the Equity Index Daily Futures Customer does not perform the matters set forth in Article 24.2 above by the time and date designated by the Exchange, or it does not give the liquidation instruction set forth in Article 24.3 above by the time and date designated by the Exchange, the Exchange shall liquidate the unsettled contracts based on the Equity Index Daily Futures Customer's order for such Equity Index Daily Futures Customer's account in the manner prescribed by the Exchange.

24.5 Where the Equity Index Daily Futures Customer is an Equity Index Daily Futures intermediate broker, and if the Suspended Equity Index Daily Futures Trading Member, etc. has accepted an order for Equity Index Daily Futures contract based on the Equity Index Daily Futures offeror's order intermediated by the Equity Index Daily Futures intermediate broker, and the obligations to such Suspended Equity Index Daily Futures Trading Member, etc. owed by the Equity Index Daily Futures intermediate broker under the Equity Index Daily Futures contract have become due and payable by acceleration of debt, the provisions of Articles 24.2 through 24.4 above shall apply *mutatis mutandis* to the Equity Index Daily Futures offeror. In this case, the "Equity Index Daily Futures Customer" as used in Articles 24.2 through 24.4 above shall be read as "Equity Index Daily Futures offeror", and "Suspended Equity Index Daily Futures Trading Member, etc." as used in Articles 24.2 and 24.3 shall be read as "Equity Index Daily Futures intermediate broker."

## **Article 25. Treatment of Equity Index Margin for Transfer of Unsettled Contracts**

25.1 In the case of the Transfer set forth in Article 24.2 above, the Equity Index Margin in the amount equivalent to the claim for refund of the Equity Index Daily Futures Customer is deemed to have been deposited with the Exchange through the Transferee Equity Index Daily Futures Trading Member, etc. acting as its agent (if the Transferee Equity Index Daily Futures Trading Member, etc. is an Equity Index Daily Futures Non-Clearing Member, the Transferee Equity Index Daily Futures Trading Member, etc. and its Designated Clearing Member; the same interpretation shall equally apply in Articles 25.2, 25.4 through 25.6 and 25.8).

25.2 In the case of the Transfer set forth in Article 24.2 above, the Equity Index Daily

Futures Customer shall exercise its claim for refund of the Equity Index Margin to the Exchange through the Transferee Equity Index Daily Futures Trading Member, etc. acting as its agent.

25.3 In the case of the Transfer set forth in Article 24.2 above, if the amount of the Equity Index Margin falls short of the required amount determined by the Transferee Equity Index Daily Futures Trading Member, etc, the Equity Index Daily Futures Customer shall deposit an amount not less than the shortfall as the Equity Index Exchange Margin with the Transferee Equity Index Daily Futures Trading Member, etc.

25.4 In the case of the Transfer set forth in Article 24.2 above, the Exchange shall make the refund of the Equity Index Margin to the Equity Index Daily Futures Customer through the Transferee Equity Index Daily Futures Trading Member, etc. acting as its agent.

25.5 In the case of the Transfer set forth in Article 24.2 above as applied *mutatis mutandis* under Article 24.5 above, the Equity Index Margin of the Equity Index Daily Futures offeror shall be deemed to have been deposited with the Exchange through the Transferee Equity Index Daily Futures Trading Member, etc. acting as its agent.

25.6 In the case of the Transfer set forth in Article 24.2 above as applied *mutatis mutandis* under Article 24.5 above, the Equity Index Daily Futures offeror shall exercise its claim for refund of the Equity Index Margin to the Exchange through the Transferee Equity Index Daily Futures Trading Member, etc. acting as its agent.

25.7 In the case of the Transfer set forth in Article 24.2 above as applied *mutatis mutandis* under Article 24.5 above, if the amount of the Equity Index Margin falls short of the required amount determined by the Transferee Equity Index Daily Futures Trading Member, etc, the Equity Index Daily Futures offeror shall deposit an amount not less than the shortfall as the Equity Index Exchange Margin with the Transferee Equity Index Daily Futures Trading Member, etc.

25.8 In the case of the Transfer set forth in Article 24.2 above as applied *mutatis mutandis* under Article 24.5 above, the Exchange shall make the refund of the Equity Index Margin to the Equity Index Daily Futures offeror through the Transferee Equity Index Daily Futures Trading Member, etc. acting as its agent.

**Article 26. Treatment of Equity Index Margin for Liquidated Contracts**

26.1 In the case of the liquidation of unsettled contracts set forth in Article 24.3 above, an Equity Index Daily Futures Trading Member, etc. or an Equity Index Daily Futures Customer shall, notwithstanding the provisions set forth in Article 17.2 hereof, be entitled to exercise its claim for refund of the Equity Index Margin directly to the Exchange respectively up to the amount set forth in Article 17.1 hereof.

26.2 In the case of the liquidation of unsettled contracts set forth in Article 24.3 above as applied *mutatis mutandis* under Article 24.5 above, an Equity Index Daily Futures offeror shall, notwithstanding the provisions set forth in Article 18.2 hereof, be entitled to exercise its claim for refund of the Equity Index Margin directly to the Exchange up to the amount set forth in Article 18.1 hereof.

26.3 When the claim for refund of the Equity Index Margin is exercised pursuant to Articles 26.1 or 26.2 above, the Exchange shall make the refund after elapse of the period necessary for determination of the amount of the claim.

**Article 27. Other Treatment involved in Transfer of Unsettled Contracts**

In addition to the provisions of Articles 14 through 26 hereof, any matters necessary for transfer of the unsettled contracts shall from time to time be prescribed by the Exchange.

**CHAPTER IV-II.**

**EQUITY INDEX MARGIN FOR POSITION TRANSFER**

**Article 27-2. Treatment of Equity Index Margin of Equity Index Daily Futures Customers for Position Transfer**

27-2.1 In the case of Transfer of unsettled contracts of an Equity Index Daily Futures customer to another Equity Index Daily Futures Trading Member, etc. by the position transfer (meaning the position transfer defined in Article 91 of the Clearing Regulations; the same shall apply hereinbelow), the Equity Index Margin deposited or placed by the Equity Index Daily Futures customer shall be deemed to have been deposited in the amount set forth in Article 17.1 hereof through the Transferee Equity Index Daily Futures Trading Member, etc. acting as its agent (if the Transferee Equity Index Daily Futures Trading Member, etc. is an Equity Index Daily Futures Non-Clearing Member, the Transferee Equity Index Daily Futures Trading Member, etc. and its Designated Clearing Member; the same interpretation shall equally apply in Article 27-2.2).

27-2.2 In the case set forth in Article 27-2.1 above, the Equity Index Daily Futures customer shall exercise its claim for refund of the Equity Index Margin to the Exchange through the Transferee Equity Index Futures Trading Member, etc. acting as its agent notwithstanding the provisions of Article 17.2.

27-2.3 If the amount of the Equity Index Margin deemed as deposited by the Equity Index Daily Futures customer pursuant to Article 27-2.1 falls short of the required amount determined by the Transferee Equity Index Daily Futures Trading Member, etc., the Equity Index Daily Futures customer shall deposit an amount not less than the shortfall as the Equity Index Exchange Margin with the Transferee Equity Index Daily Futures Trading Member, etc.

### **Article 27-3. Treatment of Equity Index Margin of Equity Index Daily Futures Offerors for Position Transfer**

27-3.1 In the case of the Transfer of unsettled contracts of an Equity Index Daily Futures offeror to another Equity Index Daily Futures Trading Member, etc. by the position transfer, the Equity Index Margin deposited or placed by the Equity Index Daily Futures offeror shall be deemed to have been deposited in the amount specified in Article 18.1 through the Transferee Equity Index Daily Futures Trading Member, etc. acting as its agent (if the Transferee Equity Index Daily Futures Trading Member, etc. is an Equity Index Daily Futures Non-Clearing Member, the Transferee Equity Index Daily Futures Trading Member, etc. and its Designated Clearing Member; the same interpretation shall equally apply in Article 27-3.2).

27-3.2 In the case set forth in Article 27-3.1 above, the Equity Index Daily Futures offeror shall exercise its claim for refund of the Equity Index Margin to the Exchange through the concerned Equity Index Daily Futures intermediate broker or the Transferee Equity Index Futures Trading Member, etc. acting as its agent notwithstanding the provisions of Article 18.2.

27-3.3 If the amount of the Equity Index Margin deemed as deposited by the Equity Index Daily Futures offeror pursuant to Article 27-3.1 falls short of the required amount determined by the Transferee Equity Index Daily Futures Trading Member, etc., the Equity Index Daily Futures offeror shall deposit an amount not less than the shortfall as the Equity Index Exchange Margin with the Transferee Equity Index Daily Futures Trading Member, etc.

## **CHAPTER V.**

### **MISCELLANEOUS PROVISIONS**

#### **Article 28. Change in Settlement Method, etc.**

If the Exchange determines the conditions for postponement of the settlement dates or the clearing terms and conditions for Equity Index Daily Futures transactions in accordance with Article 99 or 100 of the Clearing Regulations, the Exchange may change the deadline (time and date) for depositing of Equity Index Exchange Margin under Articles 6 through 8 hereof, drawing of Equity Index Exchange Margin under Article 11 hereof, disbursement of Equity Index Exchange Margin under Article 12 hereof, and payment and receipt of money relevant to Fixed Equity Index variation under Articles 13 and 22 hereof, and take necessary measures incidental to such changes.

#### **Article 29. Management of Equity Index Exchange Margin**

29.1 When the Exchange accepts deposit of Equity Index Exchange Margin in cash, the Exchange shall manage the same in the manners prescribed by laws and regulations.

29.2 With respect to an Equity Index Exchange Margin deposited by any Equity Index Daily Futures Trading Member, etc. or Equity Index Daily Futures Customer, no interest or other consideration shall be payable by the Exchange.

**Article 30. Standard Time**

30.1 Time indicated in these Regulations is a Japan time.

30.2 A day or month indicated in these Regulations is a day or month per calendar of Japan.

**SUPPLEMENTARY PROVISIONS**

The amended Regulations shall take effect as from August 5, 2013.

**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 October 26, 2020.

## **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.

## **SUPPLEMENTARY PROVISIONS**

1. The amended Regulations shall take effect as from February 28, 2022.
2. Notwithstanding the provisions of each Item of Article 4.1 hereof, during the period from the effective date of the amended Regulations to April 28, 2022, an Equity Index Margin reference amount per one (1) trading unit of each of Nikkei 225 Daily Futures transaction/contract with Reset Date, FTSE 100 Daily Futures transaction/contract with Reset Date, DAX® Daily Futures transaction/contract with Reset Date, DJIA Daily Futures transaction/contract with Reset Date, Gold ETF Daily Futures transaction/contract with Reset Date and WTI ETF Daily Futures transaction/contract with Reset Date shall be calculated in accordance with the method set forth below.
  - (1) A calendar day on which the opening time of the Market Trading Period of the last trading day of the week belongs shall be the Calculation Date.

With respect to each trading day during twenty four (24) weeks preceding and including the week in which a Calculation Date falls, an Equity Index Settlement Price of a certain trading day divided by that of the immediately preceding trading day shall be obtained. If there are different issues of the same type of Equity Index Daily Futures contract, during such twenty four (24) weeks, the Equity Index Settlement Price of the issue with the longer period until the Reset Date shall be used.

- (2) With respect to each of the numerical values obtained in the preceding Item, the natural logarithm thereof shall be taken.
- (3) The standard deviation of the numerical values obtained in the preceding Item shall be obtained.
- (4) The numerical values obtained in the preceding Item shall be multiplied by 2.58.
- (5) The numerical values obtained in the preceding Item multiplied by the Equity Index Settlement Price of the trading day on which the Calculation Date falls and multiplied by a hundred (100) (with respect to DJIA Daily Futures transaction/contract with Reset Date, multiplied by ten (10)), with any fraction of less than ten Japanese Yen amount being rounded up, shall be the Equity Index Margin reference amount.