

# **Regulations for Enforcement of the Commodity Derivatives Transaction Act**

(Order of the Ministry of Agriculture, Forestry and Fisheries and the Ministry of Economy, Trade and Industry No. 3 of February 22, 2005)

In conjunction with the enforcement of the Act for Partially Amending the Commodity Exchange Act (Act No. 43 of 2004) and the Cabinet Order for Partially Amending the Order for Enforcement of the Commodity Exchange Act (Cabinet Order No. 259 of 2004), and based on the provisions of the Commodity Exchange Act (Act No. 239 of 1950) and the Order for Enforcement of the Commodity Exchange Act (Cabinet Order No. 280 of 1950) as well as to implement that Act, the order to fully amend the Order for Enforcement of the Commodity Exchange Act (Order of the Ministry of Agriculture and Forestry and the Ministry of International Trade and Industry No. 7 of 1950) is established as follows:

(Persons Highly Skilled in Over-the-Counter Commodity Derivatives Transactions)

- Article 1 (1) The persons prescribed by order of the competent ministry as referred to in Article 2, paragraph (15) of the Commodity Derivatives Transaction Act (referred to below as the "Act") are the following persons:
- (i) commodity derivatives brokers;
  - (ii) a commodity investment advisor prescribed in Article 2, paragraph (4) of the Act on Regulation of Commodity Investment (Act No. 66 of 1991);
  - (iii) a qualified institutional investor prescribed in Article 2, paragraph (3), item (i) of the Financial Instruments and Exchange Act (Act No. 25 of 1948) (excluding persons stated in the following item and item (v), and one stated in Article 10, paragraph (1), item (xxv) of the Cabinet Office Order Concerning Definitions Under Article 2 of the Financial Instruments and Exchange Act (Order of the Ministry of Finance No. 14 of 1993));
  - (iv) a financial instruments business operator prescribed in Article 2, paragraph (9) of the Financial Instruments and Exchange Act (limited to a person that conducts type-1 financial instruments business prescribed in Article 28, paragraph (1) of that Act; the same applies below, excluding Article 1-6, item (v) and Article 102-2, item (i), (c));
  - (v) a registered financial institution prescribed in Article 2, paragraph (11) of the Financial Instruments and Exchange Act;
  - (vi) a person equivalent to one stated in the preceding items under the laws and regulations of a foreign state;

- (vii) a corporation that is the same type as a stock company established in compliance with the laws and regulations of a foreign state with a capital amount of more than the amount equivalent to 1 billion yen (in cases of converting the capital amount into Japanese currency, the conversion is to be based on the base exchange rate or the arbitrated exchange rate of a foreign currency prescribed in Article 7, paragraph (1) of the Foreign Exchange and Foreign Trade Act (Act No. 228 of December 1, 1949));
  - (viii) the following specified purpose companies (meaning specified purpose company prescribed in Article 2, paragraph (3) of the Act on Securitization of Assets (Act No. 105 of 1998; referred to below as the "Asset Securitization Act"); the same applies in the following item, Article 1-6, item (viii), and Article 38, paragraph (6), item (i));
    - (a) a person with a specified capital amount (meaning the specified capital amount prescribed in Article 16, paragraph (2), item (iv) of the Asset Securitization Act; the same applies in (b)) of at least 1 billion yen;
    - (b) a person with a specified capital amount of at least 30 million yen and the asset-backed securities (meaning asset-backed securities as defined in Article 2, paragraph (xi) of the Asset Securitization Act) issued by them are held only by that stated in the preceding item, that stated in Article 1-8-6, paragraph (1), item (ii), (b) of the Order for Enforcement of the Financial Instruments and Exchange Act (Cabinet Order No. 321 of 1965), and that stated in Article 15, paragraph (1), items (i) through (iii) of the Cabinet Office Order Concerning Definitions Under Article 2 of the Financial Instruments and Exchange Act;
  - (ix) a subsidiary company (meaning subsidiary company prescribed in Article 8, paragraph (3) of the Regulation on Terminology, Forms, and Preparation Methods of Financial Statements (Order of the Ministry of Finance No. 59 of 1963; referred to below as the "Regulation for Financial Statements"), excluding specified purpose company presumed not to fall under subsidiary company pursuant to the provisions of paragraph (7) of that Article) of those stated in the preceding items, or of a stock company with a capital amount of at least 1 billion yen.
- (2) The amount specified by order of the competent ministry as referred to in Article 2, paragraph (15) of the Act is 1 billion yen.

(Scope of Entities in Japan)

Article 1-2 The entity prescribed by order of the competent ministry referred to in Article 2, item (ii) of the Order for Enforcement of the Commodity Derivatives Transaction Act (referred to below as the "Order") is one stated in the items of the preceding Article, paragraph (1), and a stock company with a capital amount of at least 1 billion yen.

(Entities With High Level Capabilities for Foreign Commodity Market Transactions)

Article 1-3 The entity prescribed by order of the competent ministry referred to in Article 2, item (iii) of the Order is one stated in the items of Article 1, paragraph (1) and a stock company with a capital amount of at least 1 billion yen.

(Entities With Close Personal Relationship or Capital Relationship)

Article 1-4 The entity prescribed by order of the competent ministry referred to in Article 2, item (v) of the Order is one stated in the following items:

- (i) a parent company (meaning a parent company prescribed in Article 8, paragraph 3 of the Regulation for Financial Statements; the same applies below) of a person that performs the acts stated in Article 2, paragraph (22), item (v) of the Act;
- (ii) a subsidiary company (meaning a subsidiary company prescribed in Article 8, paragraph 3 of the Regulation for Financial Statements; the same applies below) of a person that performs the acts stated in Article 2, paragraph (22), item (v) of the Act;
- (iii) a subsidiary company of a parent company (meaning a person considered to be a subsidiary company of the parent company pursuant to the provisions of Article 8, paragraph (3) of the Regulation for Financial Statements (excluding one that performs the acts stated in Article 2, paragraph (22), item (v) of the Act and one stated in the preceding two items)) of a person that performs the acts stated in Article 2, paragraph (22), item (v) of the Act;
- (iv) if the person that performs the acts stated in Article 2, paragraph (22), item (v) of the Act (excluding brokerage, intermediation, and actions as an agent, and limited to one that satisfies all of the following requirements) engages in purchase and sale, etc. (meaning the purchase and sale, etc. as defined in Article 10, paragraph (2), item (i) of the Act) of goods on a regular basis, (referred to below in this item as "business specialists"), other business specialists (excluding those stated in the preceding three items);
  - (a) the acts are those performed incidentally to purchase and sale transactions of commodities with relevant other business specialists;
  - (b) those engaged for the purpose of reducing the risk of losses of relevant other business specialists that may arise from fluctuations in quotations, etc. on a commodity market (meaning quotations, etc. on a commodity market prescribed in Article 29, item (iv) of the Order; the same applies below).

(Persons With Expert Knowledge and Experience Regarding Commodity

Derivatives Transactions)

Article 1-5 The person specified by order of the competent ministry as referred to in Article 2, paragraph (25), item (iii) of the Act is a qualified institutional investor as defined in Article 2, paragraph (3), item (i) of the Financial Instruments and Exchange Act.

(Scope of Eligible Requesting Parties)

Article 1-6 The corporation specified by order of the competent ministry as referred to in Article 2, paragraph (25), item (viii) of the Act is the following corporations:

- (i) a requesting party protection funds prescribed in Chapter VI of the Act;
- (ii) a specified over-the-counter commodity derivatives broker prescribed in Article 349, paragraph (1) of the Act (limited to one that is a corporation);
- (iii) a corporation established by a special act of establishment pursuant to a special law;
- (iv) a financial instruments business operator;
- (v) a financial instruments business operator prescribed in Article 2, paragraph (9) of the Financial Instruments and Exchange Act (limited to one engaged in type 2 financial instruments business prescribed in Article 28, paragraph (2) of that Act) who is a commodity investment sales manager prescribed in Article 35 of the Act on Regulation of Commodity Investment (limited to those that are corporations);
- (vi) Deposit Insurance Corporation of Japan;
- (vii) the policyholders protection corporation prescribed in Article 259 of the Insurance Business Act (Act No. 105 of 1995);
- (viii) a specified purpose company;
- (ix) companies that issue share certificates listed on a financial instruments exchange (meaning a financial instruments exchange prescribed in Article 2, paragraph (16) of the Financial Instruments and Exchange Act; the same applies below);
- (x) a stock company expected to have a capital amount of at least 500 million yen, in making a reasonable judgment in light of the status of transactions and other circumstances; and
- (xi) foreign corporations.

(Goods Associated with Goods That Are Underlying Commodities)

Article 1-7 The goods specified by order of the competent ministry as referred to in Article 2, paragraph (26) and Article 197-9, paragraph (1) of the Act are the following goods:

- (i) goods that constitute the main raw materials or ingredients of the goods that are underlying commodities;

- (ii) goods for which the goods that are underlying commodities are the main raw materials or ingredients;
- (iii) when a correlation is recognized between the prices of the goods that are underlying commodities and the prices of other goods, in making a reasonable judgment in light of the fluctuations in quotations, etc. on a commodity market and other circumstances, those other goods (excluding those stated in the preceding two items).

(Acts Conducted on a Regular Basis)

Article 1-8 The acts specified by order of the competent ministry as referred to in Article 2, paragraph (26), Article 10, paragraph (2), item (i), Article 197-7, and Article 197-9, paragraph (1) of the Act are the purchase and sale, or intermediation, brokerage, or action as an agent for the purchase and sale of electric power (excluding the electric power prescribed in Article 2, paragraph (1), item (iv) of the Act; the same applies below in this Article) conducted by an electricity utility (meaning the electricity utility prescribed in Article 2, item (xvii) of the Electricity Business Act (Act No. 170 of 1964)) or the use of electric power by a person that receives the supply of electric power.

(Requirements for Corporations That Are Eligible Commercial Persons)

Article 1-9 The requirement prescribed by order of the competent ministry as referred to in Article 2, paragraph (26) of the Act is that one year is found to have elapsed since the date on which the corporation has first entered into a commodities transaction contract (limited to a contract related to commodities derivatives transactions, the underlying commodities of which are goods or electric power (meaning the electric power as defined in paragraph (1), item (iv) of that Article; the same applies below) or the following goods as goods associated with them, for which the corporation is engaged in the purchase and sale, etc. on a regular basis) with a commodity derivatives business operator, in making a reasonable judgment in light of the status of transactions and other circumstances:

- (i) goods constituting the main raw materials or ingredients of the goods for which the corporation is engaged in the purchase and sale, etc. on a regular basis;
- (ii) goods whose main raw materials or ingredients are the goods for which the corporation is engaged in the purchase and sale, etc. on a regular basis;
- (iii) when a correlation is recognized between the prices of goods of which the corporation is engaged in the purchase and sale, etc. on a regular basis and the prices of other goods, in making a reasonable judgment in light of fluctuations in quotations, etc. on a commodity market and other circumstances, the other goods (excluding those stated in the preceding two

items).

(Application for Authorization for Commodity Exchange's Concurrent Business)

Article 1-10 (1) When seeking to obtain authorization pursuant to the provisions of the proviso to Article 3, paragraph (1) of the Act, a commodity exchange must submit a written application for authorization stating the following matters to the competent minister:

- (i) the type of business for which authorization is sought;
- (ii) the scheduled year, month, and date of the start of the business;

(2) The following documents must be attached to the written application for authorization referred to in the preceding paragraph:

- (i) a document stating the reason for conducting the business;
- (ii) a document stating the content and method of the business;
- (iii) a document stating the organization in charge of the business and the assignment of personnel;
- (iv) the internal rules concerning the business;
- (v) a document stating a forecast of income and expenditures for the business for three business years after obtaining the authorization; and
- (vi) documents stating other matters to be used as a reference.

(Notification of Discontinuation of Concurrent Business)

Article 1-11 When a commodities exchange discontinues a business that has obtained the authorization under the provisions of the proviso to Article 3, paragraph (1) of the Act (limited to financial instruments obligation assumption services, etc. (meaning financial instruments obligation assumption services, etc. prescribed in Article 156-3, paragraph (1), item (vi) of the Financial Instruments and Exchange Act; the same applies in Article 71, item (iii)) and incidental businesses), a notification stating the following matters must be submitted:

- (i) the date on which the business was discontinued; and
- (ii) the reason for discontinuing the business.

(Application for Authorization of Subsidiary Companies of Commodity Exchanges)

Article 1-12 When seeking to obtain authorization pursuant to the provisions of the proviso to Article 3-2, paragraph (1) of the Act, a commodity exchange must submit a written application for authorization to the competent minister by attaching the following documents:

- (i) a document stating the reason for making the company for which the authorization is sought to be its subsidiary company (meaning a subsidiary company prescribed in Article 3-2, paragraph (3) of the Act; the same applies

- below in this Article);
- (ii) the following documents concerning the company that is to become the subsidiary company for which the authorization is sought:
    - (a) a document stating its trade name and location of its head office;
    - (b) a document stating the content of its business;
    - (c) a document stating the names and titles of the company directors and auditors (directors for a company with an audit and supervisory committee, and company directors and executive officers for a company with a nominating committee, etc.; the same applies in Article 36-9 and Article 36-12, paragraph (2), item (ii), (c));
    - (d) in cases of a company with accounting advisors, a document stating the names of the accounting advisors;
    - (e) the articles of incorporation;
    - (f) a certificate of registered information;
    - (g) documents that show its recent status of business, property, and profit and loss, such as the balance sheet, profit and loss statement, and statement of changes in net assets for the immediately preceding business year;
  - (iii) the following documents concerning the commodity exchange and its subsidiary company:
    - (a) documents that show in a consolidated manner its recent status of business, property and profit and loss of the commodity exchange and its subsidiary company, such as the consolidated balance sheet, profit and loss statement, and statement of changes in net assets for the immediately preceding business year;
    - (b) a document stating a forecast of income and expenditures for the commodity exchange and its subsidiary company (including a company that is to become the subsidiary company related for which the authorization is sought) for three business years after obtaining the authorization; and
  - (iv) documents stating other matters to be used as a reference.

(Self-Regulation Services)

Article 1-13 The matters prescribed by order of the competent ministry as referred to in Article 5-2, paragraph (2), item (iii) are the following matters:

- (i) examination of the qualifications of members, etc.;
- (ii) examination of the content of transactions in the commodity market conducted by members, etc. (excluding those for which examination of the status of the transaction is done immediately in order to facilitate smooth transactions in the commodity market);
- (iii) the work of creating, changing, or abolishing articles of incorporation or other rules relating to the businesses stated in Article 5-2, paragraph (2),

items (i) and (ii) of the Act.

(Electronic or Magnetic Records)

Article 1-14 The records specified by order of the competent ministry as prescribed in Article 11, paragraph (5) of the Act are records in which information is recorded in a file stored in a computer used by the founder referred to in Article 11, paragraph (1) of the Act or a file prepared in the form of an electronic or magnetic recording medium (meaning a recording medium for electronic or magnetic records; the same applies below except for Article 55-7).

(Electronic Signatures)

- Article 2 (1) The measures in place of signing or affixing names and seals specified by order of the competent ministry as prescribed in Article 11, paragraph (5) of the Act are electronic signatures.
- (2) The term "electronic signatures" prescribed in the preceding paragraph means measures taken for information that can be recorded onto an electronic or magnetic record (meaning the electronic or magnetic record prescribed in Article 11, paragraph (5) of the Act; the same applies below), which satisfies all of the following requirements:
- (i) the purpose of the measures is to show that the information was prepared by the person that has taken the measures; and
  - (ii) the measures enable confirmation as to whether the information has been altered.

(Electronic or Magnetic Means Concerning the Order for Enforcement of the Commodity Derivatives Transaction Act)

Article 2-2 The type and content of the electronic or magnetic means (meaning electronic or magnetic means prescribed in Article 12, paragraph (4) of the Act; the same applies below, excluding Article 7, Article 41, Article 51, Article 90-3, and Article 109-2) required to be indicated pursuant to the provisions of Article 3, paragraph (1) of the Order are as follows:

- (i) means that a sender uses from the following:
  - (a) the following means that use electronic data processing systems:
    - 1. means of transmitting information through a telecommunications line that connects a computer used by a sender and a computer used by a receiver and recording the information in a file on a computer used by the receiver; or
    - 2. means of providing the information recorded in a file on a computer used by a sender for the inspection of a receiver of the information through a telecommunications line, and recording the information in a file on a



- computer used by the receiver; or
- (b) means of delivering the media that has recorded the information in a file prepared in the form of a magnetic disk or by an equivalent method that can record certain information securely;
- (ii) means of recording the information in a file.

(Electronic or Magnetic Means)

Article 2-3 (1) The means of using electronic data processing systems or using other information communications technology specified by order of the competent ministry as prescribed in Article 12, paragraph (4) of the Act are as follows:

- (i) the means stated in (a) or (b) that use electronic data processing systems:
    - (a) means of transmitting information through a telecommunications line that connects a computer used by a sender and a computer used by a receiver and recording the information in a file on a computer used by the receiver; or
    - (b) means of providing the information recorded in a file on a computer used by a sender for the inspection of a receiver of the information through a telecommunications line, and to record the information in a file on a computer used by the receiver; and
  - (ii) means of delivering the media that has recorded the information in a file prepared in the form of a magnetic disk or by an equivalent method that can record certain information securely.
- (2) The means stated in the preceding items must be the means that enables a receiver to prepare a written document by outputting the record in the file.

(Minutes of the Organizational Meeting)

Article 2-4 (1) The preparation of the minutes of the organizational meeting pursuant to the provisions of Article 13, paragraph (7) of the Act is governed by the provisions of this Article.

- (2) The minutes of the organizational meeting must be prepared in the form of a document or an electronic or magnetic record.
- (3) The minutes of the organizational meeting must include the following matters:
  - (i) the date and time when and the place where the organizational meeting was held;
  - (ii) the outline and results of the proceedings of the organizational meeting;
  - (iii) the names of the founders and the officers who attended the organizational meeting;
  - (iv) if there is a chairperson of the organizational meeting, the name of the chairperson; and

- (v) the name of the founder who performed the duties concerning the preparation of the minutes.

(Documents Attached to a Written Application for License)

Article 3 The documents specified by order of the competent ministry as referred to in Article 14, paragraph (2) of the Act are as follows (in cases of documents certified by a public agency, limited to those prepared within three months before the date of filing the application for license):

- (i) a copy of the residence certificate prescribed in Article 12, paragraph (1) of the Basic Resident Registration Act (Act No. 81 of 1967), or an alternative document (referred to below as a "copy of the residence certificate, etc."), a curriculum vitae, a certification issued by a public agency that the person does not fall under the provisions of Article 15, paragraph (2), item (i), (b) of the Act (excluding when the person is a foreign national), and a document pledging that the person does not fall under any of the provisions of sub-item (a) or sub-items (c) through (k) of that item (when the person is a foreign national, sub-items (a) through (k) of that item);
- (ii) a document stating the name or trade name of a member and the location of their principal office or head office, a document pledging that the person does not fall under any of the provisions of the items of Article 31, paragraph (1) of the Act, and when completing settlement by the methods stated in Article 105, item (i) of the Act at one or more commodity markets which a member commodity exchange related to the application seeks to open, a record concerning the amount of the net assets of the person which is prepared according to Form No. 1 within 30 days before the date of filing the application for permission;
- (iii) a document pledging that a majority of the founders fall under the items of Article 10, paragraph (2) of the Act;
- (iv) a membership application form;
- (v) a document that proves the payment of the investment;
- (vi) minutes of the organizational meeting;
- (vii) a document stating the estimated transaction volume of futures transactions for one year after the opening of a commodity market which they seek to open;
- (viii) when seeking to open a commodity market related to a listed commodity, a document stating that it is appropriate to conduct transactions of component products of listed commodities (meaning component products of listed commodities prescribed in Article 10, paragraph (2), item (i) of the Act; the same applies below ) in a single commodity market;
- (ix) when seeking to open a commodity market by specifying two or more commodity indices as a single listed commodity index, a document stating

- that the majority of the goods or electric power subject to the two or more commodity indices are common to one another;
- (x) when using an electronic data processing system in opening a commodity market, a document stating the outline, installation location, capacity, maintenance method of the electronic data processing system, and the method of handling in the case of malfunction of the electronic data processing system; and
  - (xi) documents stating other information to be used as a reference in recognizing whether the criteria stated in Article 15, paragraph (1) of the Act have been met.

(Persons Prescribed by Order of the Competent Ministry as Referred to in Article 15, Paragraph (2), Item (i), (a) of the Act)

- Article 3-2 (1) The person specified by order of the competent ministry as referred to in Article 15, paragraph (2), item (i), (a) of the Act is a person that is unable to adequately carry out the cognition, decision making, and communication necessary for properly performing their duties due to mental impairment.
- (2) When an application for the permission under Article 9 of the Act has been filed, and the competent minister finds it necessary for examining whether the founders include a person that falls under any of Article 15, paragraph (2), item (i), (a) or (k) (limited to the part related to (a) and (l)) or (l) (limited to the part related to (a) and (k)) of the Act, the competent minister may request the founders to submit a doctor's written diagnosis stating the name of the illness of the person subject to the examination, whether the person has any mental impairment and the level of mental impairment, causes of the illness, post-illness progress, prospects of recovery, and other remarks for reference.

(Means of Filing Requests for Action to Enforce Liability)

- Article 3-3 The means specified by order of the competent ministry as referred to in Article 847, paragraph (1) of the Companies Act (Act No. 86 of 2005) as applied mutatis mutandis pursuant to Article 18, paragraph (2), Article 58, and Article 77, paragraph (2) of the Act following the deemed replacement of terms is the submission of a document that states the following information or the provision of that information by electronic or magnetic means:
- (i) the prospective defendant; and
  - (ii) the object of the request and the facts necessary to specify the request.

(Means of Notifying Reasons for Not Filing an Action)

- Article 3-4 The means specified by order of the competent ministry as referred to in Article 847, paragraph (4) of the Companies Act as applied mutatis

mutandis pursuant to Article 18, paragraph (2), Article 58, and Article 77, paragraph (2) of the Act following the deemed replacement of terms is the submission of a document that states the following information or the provision of that information by electronic or magnetic means:

- (i) the content of the investigation that a member commodity exchange conducted (including the document which served as the basis of judgment referred to in the following item);
- (ii) the judgment with regard to any liability or obligation of a person stated in item (i) of the preceding Article for an action concerning a request pursuant to the provisions of Article 847, paragraph (1) of the Companies Act as applied mutatis mutandis pursuant to Article 18, paragraph (2), Article 58, and Article 77, paragraph (2) of the Act following the deemed replacement of terms;
- (iii) when not filing an action referred to in the preceding item, when the person referred to in that item has been judged to have liability or obligation, the reasons for it.

(Documents Attached to Notifications of Change in Names of Officers or Members)

Article 4 The documents specified by order of the competent ministry as referred to in Article 19, paragraph (2) of the Act are as follows (in cases of documents certified by a public agency, limited to those prepared within three months before the date of filing the notification of change):

- (i) when the notification of change relates to an officer who has newly assumed office, a copy of the residence certificate, etc. and a curriculum vitae of that person, a certificate issued by a public agency proving that the person does not fall under Article 15, paragraph (2), item (i), (b) of the Act (excluding the case in which the person is a foreign national), and a document pledging that the person does not fall under any of Article 15, paragraph (2), item (i), sub-item (a) or sub-items (c) through (k) of the Act (when where the person is a foreign national, sub-items (a) through (k) of that item);
- (ii) when the notification of change relates to a person that has newly become a member, a document that states the name or trade name of the person and the location of their principal office or head office, a document pledging that the person does not fall under any of the items of Article 31, paragraph (1) of the Act, and when completing settlement by the method stated in Article 105, item (i) of the Act at one or more commodity markets which the member commodity exchange related to the notification seeks to open, a record concerning the amount of the net assets of the person which is prepared according to Form No. 1 within 30 days before the day when the person became a member; or

(iii) when the notification of change relates to the addition of a listed commodity or listed commodity index on a commodity market where a member conducts transactions, and settlement is to be completed by the method stated in Article 105, item (i) of the Act, a record concerning the amount of the net assets of the person which is prepared according to Form No. 1 within 30 days before the day of the notification of a change.

(Persons Prescribed by Order of the Competent Ministry Referred to in Article 31, Paragraph (1), Item (i) of the Act)

Article 5 A person specified by order of the competent ministry as referred to in Article 31, paragraph (1), item (i) of the Act is to be a person that is unable to adequately carry out the cognition, decision making, and communication necessary for properly performing their duties due to mental impairment.

(Means of Displaying Information Recorded in Electronic or Magnetic Records)

Article 6 The means specified by order of the competent ministry as prescribed in the following provisions are the means of displaying the information recorded in an electronic or magnetic records stated in the following provisions on paper or on a screen:

- (i) the provisions of Article 57, paragraph (4), item (iii) of the Act (including as applied mutatis mutandis pursuant to Article 77, paragraph (2) and Article 93, paragraph (3) of the Act);
- (ii) the provisions of Article 68-2, paragraph (3), item (iii) of the Act;
- (iii) the provisions of Article 96-14, paragraph (2), item (ii) of the Act;
- (iv) the provisions of Article 123, paragraph (2), item (iii) of the Act;
- (v) the provisions of Article 125, paragraph (2), item (iii) of the Act;
- (vi) the provisions of Article 144, paragraph (2), item (iii) of the Act;
- (vii) the provisions of Article 144-2, paragraph (7), item (iii) of the Act;
- (viii) the provisions of Article 144-3, paragraph (2), item (iii) of the Act;
- (ix) the provisions of Article 144-4, paragraph (5), item (iii) of the Act;
- (x) the provisions of Article 144-5, paragraph (2), item (iii) of the Act;
- (xi) the provisions of Article 144-12, paragraph (3), item (iii) of the Act;
- (xii) the provisions of Article 144-13, paragraph (2), item (iii) of the Act; and
- (xiii) the provisions of Article 144-21, paragraph (3), item (iii) of the Act.

(Electronic or Magnetic Means of Providing Information in an Electronic or Magnetic Record)

Article 7 The electronic or magnetic means specified by order of the competent ministry as prescribed in the following provisions are the means designated by a commodity exchange among those stated in each item of Article 2-3, paragraph (1):

- (i) the provisions of Article 57, paragraph (4), item (iv) of the Act (including as applied mutatis mutandis pursuant to Article 77, paragraph (2) and Article 93, paragraph (3) of the Act);
- (ii) the provisions of Article 68-2, paragraph (3), item (iv) of the Act;
- (iii) the provisions of Article 123, paragraph (2), item (iv) of the Act;
- (iv) the provisions of Article 125, paragraph (2), item (iv) of the Act;
- (v) the provisions of Article 144, paragraph (2), item (iv) of the Act;
- (vi) the provisions of Article 144-2, paragraph (7), item (iv) of the Act;
- (vii) the provisions of Article 144-3, paragraph (2), item (iv) of the Act;
- (viii) the provisions of Article 144-4, paragraph (5), item (iv) of the Act;
- (ix) the provisions of Article 144-5, paragraph (2), item (iv) of the Act;
- (x) the provisions of Article 144-12, paragraph (3), item (iv) of the Act;
- (xi) the provisions of Article 144-13, paragraph (2), item (iv) of the Act; and
- (xii) Article 144-21, paragraph (3), item (iv) of the Act.

(Means Specified by Order of the Competent Ministry as Referred to in Article 59, Paragraph (5) of the Act)

Article 8 The means specified by order of the competent ministry as referred to in Article 59, paragraph (5) of the Act is the means stated in Article 2-3, paragraph (1), item (ii).

(Type and Content of Electronic or Magnetic Means Required to be Indicated in the Procedures for Consent)

Article 9 The type and content of the electronic or magnetic means required to be indicated pursuant to the provisions of Article 5, paragraph (1) are the following information:

- (i) means that a sender uses among the means stated in Article 2-3, paragraph (1), (a) or (b); and
- (ii) means of recording the information in a file.

(Minutes)

- Article 9-2 (1) The preparation of the minutes of a general meeting of members pursuant to the provisions of Article 62-3 of the Act is governed by this Article.
- (2) The minutes of a general meeting of members must be prepared in the form of a document or an electronic or magnetic record.
- (3) The minutes of a general meeting of members must include the following information:
- (i) the date and time when and the place where the general meeting of members was held (including the method of attendance when the president, director, auditor or a member who was not present at the place attended the general meeting of members);

- (ii) the outline and results of the proceedings of the general meeting of members;
- (iii) the outline of the auditor's opinions pursuant to Article 48, paragraph (3) of the Act;
- (iv) the names of the president, director, or auditor who attended the general meeting of members;
- (v) the name of the chairperson;
- (vi) the name of the president or director who performed the duties concerning the preparation of the minutes.

(Consideration of Accounting Practices)

Article 10 With regard to the interpretation of terms stated in the provisions of the following Article through Article 26 and the application of the provisions, generally accepted corporate accounting standards and other corporate accounting practices must be taken into consideration.

(Matters to be Stated in Settlement Related Documents)

Article 10-2 The settlement related documents, etc. referred to in Article 66, paragraph (1) of the Act are as specified in the provisions of the following Article through Article 20.

(Principles of Balance Sheets)

Article 11 A balance sheet must, for the purpose of clarifying the financial condition of a member commodity exchange, state or record the entire assets, liabilities, and net assets of the member commodity exchange at the end of each business year, and accurately show the information to members and any other interested party.

(Format of Balance Sheets)

Article 12 The balance sheet is to be in an account format.

(Categorization of Balance Sheets)

Article 13 (1) A balance sheet must indicate the values by categorizing them into the following sections; provided, however, that the title of the contribution section may be used as the title of the net assets section, if necessary:

- (i) assets section;
- (ii) liabilities section; and
- (iii) net assets section.

(2) Each item in the assets section or the liabilities section must be given appropriate titles that indicate the assets or liabilities concerning that item.

(Categorization of Assets Section)

Article 14 (1) The assets section must be categorized into the following items. In this case, each item (excluding the item stated in item (ii)) must be subdivided into appropriate sub-items:

- (i) current assets;
- (ii) fixed assets; and
- (iii) deferred assets.

(2) The item for fixed assets must be categorized into the following sub-items. In this case, each sub-item must be subdivided into appropriate sub sub-items:

- (i) tangible fixed assets;
- (ii) intangible fixed assets; and
- (iii) investments and other assets.

(3) The assets stated in the following items are to belong to those specified in those items:

- (i) the following assets: current assets:
  - (a) cash and cash in bank (excluding cash in bank whose maturity date does not fall within a year);
  - (b) bills receivable (meaning bill claims (excluding bankruptcy or reorganization claims, etc. (meaning bankruptcy claims, rehabilitation claims or reorganization claims or other equivalent claims; the same applies below in this item) for which it is clear that payment may not be received within a year) generated based on ordinary transactions (meaning transactions generated currently or within a short term cycle in operating activities for the business of a member commodity exchange; the same applies below in this Article through Article 16-8));
  - (c) accounts receivable (meaning the business accounts due (excluding the accounts due when claims related to those accounts due are bankruptcy or reorganization claims, etc. for which it is clear that payment may not be received within a year) generated based on ordinary transactions);
  - (d) lease claims (excluding bankruptcy or reorganization claims, etc. for which it is clear that collection may not be made within a year) in ownership-transfer finance lease transactions, which were generated based on ordinary transactions, or which were generated based on transactions other than ordinary transactions and whose due date falls within a year;
  - (e) lease investment assets (excluding bankruptcy or reorganization claims, etc. for which it is clear that collection may not be made within a year) in non-ownership-transfer finance lease transactions, which were generated based on ordinary transactions, or which were generated based on transactions other than ordinary transactions and whose due date falls within a year;
  - (f) trading securities and securities whose maturity date falls within a year;



- (g) commodities (including land, buildings, and other real properties owned for the purpose of sale);
- (h) products, byproducts, and scrap;
- (i) semi-finished products (including self-made parts);
- (j) raw materials and materials (including purchased parts);
- (k) work in progress and partly-finished work;
- (l) consumable goods, consumable tools, appliances, fixtures, and other stored goods whose value is over a certain amount;
- (m) advance payment (meaning advance payment (excluding advance payment when claims related to the advance payment are those for which it is clear that payment may not be received within a year) for purchasing commodities and raw materials (including those equivalent to them);
- (n) prepaid expenses which will become expenses within a year;
- (o) accrued income; and
- (p) other assets which are recognized as to be cashed within a year;
- (ii) the following assets (provided, however, that, for the assets stated in sub-items (a) through (h), limited to those to be used for business): tangible fixed assets:
  - (a) buildings and attached equipment such as for heating, lighting, and ventilation;
  - (b) structures (meaning docks, bridges, quays, piers, tracks, reservoirs, tunnels, chimneys and other civil engineering equipment or structures fixed on land);
  - (c) machinery, equipment, and transportation equipment such as hoists, conveyors, cranes, and other accessory equipment;
  - (d) ships and water delivery equipment;
  - (e) railway vehicles, automobiles, and other land delivery equipment;
  - (f) tools, appliances, and fixtures (limited to those with a lifespan of one year or more);
  - (g) land;
  - (h) lease assets (meaning leased property in cases where the company is the lessee of the leased property in finance lease transactions; the same applies below ) which falls under the articles stated in sub-items (a) through (g) and sub-item (j);
  - (i) construction in progress (meaning expenses for the construction of assets stated in sub-items (a) through (g) which are to be used for business, and materials appropriated for the purpose of the construction); and
  - (j) other tangible assets which are to be categorized as assets belonging to tangible fixed assets;
- (iii) the following assets: intangible fixed assets:
  - (a) patent rights;

- (b) land leasehold rights (including surface rights);
  - (c) trademark rights;
  - (d) utility model rights;
  - (e) design rights;
  - (f) mining rights;
  - (g) fishery rights (including piscary);
  - (h) software;
  - (i) goodwill;
  - (j) lease assets which fall under the articles stated in sub-items (a) through (h) and sub-item (k); and
  - (k) other intangible assets which are to be categorized as assets belonging to intangible fixed assets;
- (iv) the following assets: investments and other assets:
- (a) shares (excluding shares falling under trading securities; the same applies below) of affiliated companies (meaning affiliated companies referred to in Article 2, paragraph (3), item (xxii) of the Regulations on Corporate Accounting (the Ministry of Justice Order No. 13 of 2006); the same applies in Article 16-6) and securities that do not belong to current assets;
  - (b) contribution;
  - (c) long-term loans;
  - (d) deferred tax assets;
  - (e) lease claims in ownership-transfer finance lease transactions which are not those stated in item (i), (d);
  - (f) lease investment assets in non-ownership-transfer finance lease transactions which are not those stated in item (i), (e);
  - (g) other assets which are to be categorized as assets belonging to investments and other assets;
  - (h) other assets which do not belong to current assets, tangible fixed assets, intangible fixed assets, or deferred tax assets;
- (v) those recognized as being appropriate to be recorded as deferred assets: deferred assets.
- (4) The term "within a year" prescribed in the preceding paragraph means any day within a year from the day specified in the following items in accordance with the category of balance sheet stated in those items (the same applies below in this Article through Article 16-8):
- (i) the balance sheet on the day of establishment: the day of the establishment of a member commodity exchange;
  - (ii) the balance sheet related to a business year: the day following the last day of the business year (when assets are to be valued on a day other than the last day of the business year, that day; the same applies below).

(Categorization of the Liabilities Section)

Article 15 (1) The liabilities section must be categorized into the following items.

In this case, the items must be subdivided into appropriate sub-items:

- (i) current liabilities; and
  - (ii) fixed liabilities.
- (2) Liabilities stated in the following items are to belong to those specified in those items:
- (i) the following liabilities: current liabilities:
    - (a) bills payable (meaning bill debts generated based on ordinary transactions);
    - (b) accounts payable (meaning business arrears arising out of ordinary transactions);
    - (c) advances received (meaning advances received for construction orders, ordered goods, etc.);
    - (d) allowances (excluding allowances related to assets and those recognized as not to be used within a year);
    - (e) arrears or deposits received arising out of ordinary transactions which are, as a general business practice, to be paid within a short term after they have arisen;
    - (f) accrued expenses;
    - (g) deferred revenue;
    - (h) lease debts in finance lease transactions whose due date falls within a year;
    - (i) asset retirement obligations which are recognized as to be fulfilled within a year;
    - (j) other liabilities which are recognized as to be paid or repaid within a year;
  - (ii) the following liabilities: fixed liabilities:
    - (a) bonds payable;
    - (b) long-term debts;
    - (c) allowances (excluding allowances related to assets and those stated in (d) of the preceding item);
    - (d) deferred tax liabilities;
    - (e) goodwill;
    - (f) lease debts in finance lease transactions which are not those stated in (i) of the preceding item;
    - (g) asset retirement obligations which are not those stated in (j) of the preceding item;
    - (h) other liabilities which do not belong to current liabilities.

(Categorization of the Net Assets Section)

- Article 16 (1) The net assets section must be categorized into the following items; provided, however, that the title of members' contribution may be used as the title of members' capital:
- (i) members' capital;
  - (ii) valuation or translation difference, etc.
- (2) The items related to members' capital must be categorized into the following sub-items. In this case, each sub-item may be sub-divided into appropriate sub sub-items:
- (i) contribution;
  - (ii) membership fee;
  - (iii) capital surplus;
  - (iv) statutory capital; and
  - (v) accumulated profit.
- (3) The items related to valuation or translation difference must be sub-divided into the following sub-items and any other sub-items with an appropriate title:
- (i) other securities valuation difference;
  - (ii) deferred gains and losses on hedges; and
  - (iii) land revaluation differences.

(Indication of Allowances for Bad Debts)

- Article 16-2 (1) The allowances related to each asset must be indicated as a deduction for the respective assets under sub-items with titles that indicate the purpose of allowances for bad debts and other relevant allowances excluding cases prescribed in the following paragraph; provided, however, that they are not precluded from being indicated collectively as a deduction for the category of current assets, tangible fixed assets, intangible fixed assets, investment, and other assets, or deferred assets.
- (2) The allowances related to each asset may be deducted directly from the amount of the respective assets, and the outstanding amount of the deduction may be indicated as the amount of those respective assets.

(Indication of Accumulated Depreciation for Tangible Fixed Assets)

- Article 16-3 (1) The accumulated depreciation for each tangible fixed asset must be indicated as a deduction for the respective tangible fixed assets under the sub-item of accumulated depreciation, excluding cases prescribed in the following paragraph; provided, however, that they are not precluded from being indicated collectively as a deduction for those tangible fixed assets.
- (2) The accumulated depreciation for each tangible asset may be deducted directly from the amount of the respective tangible assets and the outstanding amount of the deduction, and may be indicated as the amount of those respective tangible assets.

(Indication of Accumulated Impairment Loss on Tangible Fixed Assets)

Article 16-4 (1) The accumulated impairment loss on each tangible fixed asset must be deducted directly from the amount of the respective tangible fixed assets (when accumulated depreciation for tangible fixed assets is deducted directly from the amount of the tangible fixed assets pursuant to the provisions of paragraph (2) of the preceding Article, the amount after deduction) and the outstanding amount of the deduction must be indicated as the amount of the respective tangible fixed assets, excluding cases prescribed in the following paragraph and paragraph (3).

(2) The accumulated impairment loss on each tangible fixed asset for which depreciation is carried out may be indicated as a deduction for the respective tangible fixed assets under the sub-item of accumulated impairment loss; provided, however, that they are not precluded from being indicated collectively as the deduction for those tangible fixed assets.

(3) In indicating accumulated depreciation and accumulated impairment loss as deductions pursuant to the provisions of paragraph (1) of the preceding Article and the preceding paragraph, the accumulated impairment loss may be added to the accumulated depreciation and indicated as the amount under the sub-item of accumulated depreciation.

(Indication of Intangible Fixed Assets)

Article 16-5 The accumulated depreciation and accumulated impairment loss on each intangible fixed asset must be deducted directly from the amount of the respective intangible assets, and the outstanding amount of the deduction must be indicated as the amount of those respective intangible fixed assets.

(Indication of Shares of Affiliated Companies)

Article 16-6 The shares or the contribution of affiliated companies must be indicated separately under the sub-items of shares or contribution of affiliated companies.

(Indication of Deferred Tax Assets)

Article 16-7 Regarding the amount of deferred tax assets and the amount of deferred tax liabilities, only the difference must be indicated as deferred tax assets or deferred tax liabilities under fixed assets or fixed liabilities.

(Indication of Deferred Assets)

Article 16-8 The accumulated depreciation of each deferred asset must be deducted directly from the amount of the respective deferred assets, and the outstanding amount of the deduction must be indicated as the amount of those

respective deferred assets.

(Principles of Profit and Loss Statements)

Article 17 Profit and loss statements must, for the purpose of clarifying the status of the profit and loss of a member commodity exchange, state or record the entire profit and loss in a single accounting period, and accurately show the information to members and any other interested party.

Article 18 Deleted

(Categorization of Profit and Loss Statements)

Article 19 (1) Profit and loss statements must have sections for income and expenditure, and the sections must be subdivided into sub-items with appropriate titles according to the characteristics of the income for income and according to the purpose of the expenditure for expenditure.

(2) In the expenditure section referred to in the preceding paragraph, the surplus or loss for the term must be included or recorded.

(Business Reports)

Article 20 Business reports must state or record the following information and any other important information concerning the business of a member commodity exchange:

- (i) an outline of the business;
- (ii) an outline of transactions and market conditions;
- (iii) an outline of the meetings; and
- (iv) information concerning members.

(Preparation of Accounting Books)

Article 21 (1) A member commodity exchange must prepare accurate accounting books on a timely basis pursuant to the provisions of the following paragraph, and the following Article through Article 26.

(2) Accounting books must be prepared in the form of a document or an electronic or magnetic record.

(Valuation of Assets)

Article 22 (1) With regard to the assets, the acquisition cost must be recorded in accounting books, excluding the cases where special provisions exist in laws and regulations other than this Order or the Act.

(2) The assets required to be depreciated, must be reasonably depreciated on the last day of a business year.

(3) Regarding the assets stated in the following items, the price specified in each

item must be indicated if price is required to be indicated on the last day of a business year:

- (i) assets whose market value on the last day of a business year is considerably lower than the acquisition cost at that time (excluding the assets whose current market price is found to be likely to recover to the level of the acquisition cost at that time): the market value on the last day of the business year; and
  - (ii) assets for which unpredictable loss was incurred or impairment loss should be recognized on the last day of the business year: amount obtained by deducting a reasonable amount from the acquisition cost at that time.
- (4) For claims that are likely to be uncollectible, the amount that is expected to be uncollectible on the last day of a business year must be deducted on that day.
- (5) For claims, an appropriate price may be indicated when its acquisition cost is different from the amount of claims or where there are other reasonable grounds.
- (6) For the following assets, the market value or appropriate price on the last day of a business year may be indicated:
- (i) assets whose market value on the last day of a business year is lower than the acquisition cost at that time;
  - (ii) assets which have market price (excluding shares of subsidiary companies (meaning subsidiary companies prescribed in Article 8, paragraph (3) of the Regulation for Financial Statements) and affiliated companies (meaning affiliated companies prescribed in paragraph (5) of that Article) and bonds held to maturity);
  - (iii) in addition to the assets stated in the preceding two items, assets for which it is appropriate to indicate the market value or appropriate price on the last day of a business year.

#### (Valuation of Liabilities)

- Article 23 (1) With regard to liabilities, the amount of liabilities must be recorded in accounting books, excluding when special provisions exist in laws and regulations other than this Order or the Act.
- (2) With regard to the following liabilities, the market value or appropriate price on the last day of a business year may be indicated:
- (i) in addition to the following reserves, the reserves that should be recorded (including reserves that should be recorded when providing services to members) by carrying over the amount to be borne for the business year as expenses or losses among the reasonably estimated amount in preparation for future expenses or losses (including the deduction of profit; the same applies below in this item):

- (a) reserves for retirement benefits (meaning reserves to be carried over on the last day of a business year when retirement lump-sum grants, retirement pension, and other similar benefits are paid to an employee after they have retired);
- (b) reserves for loss on returned goods (meaning reserves to be carried over on the last day of a business year when there is a special arrangement related to a buyback for the price at the time of selling, with regard to inventories for sale, at all times);
- (ii) bonds which received payment of an amount different from the amount of liabilities; and
- (iii) in addition to the liabilities stated in the preceding two items, liabilities for which it is appropriate to indicate the market value or appropriate price on the last day of a business year.

(The Amount of Contribution)

Article 24 (1) In addition to what is specified in the provisions of Article 60-6, Article 60-7, and Articles 60-9 through 60-12, the amount of the contribution of a member commodity exchange is increased by the amount which the member commodity exchange has determined to record in the amount of the contribution within the scope of the amount specified in the following items, limited to the cases stated in those items:

- (i) when a member has made the contribution (excluding when the claim stated in the following item related to the contribution made has been recorded as assets): the amount obtained by subtracting the sum of the amount stated in (c) from the sum of the amounts stated in (a) and (b) (zero, if the obtained amount is less than zero):
  - (a) the value of the property (in cases where the property falls under the property prescribed in (b), excluding the property) which was paid or provided to a member commodity exchange using the contribution made by that member;
  - (b) the sum of the book value immediately before the payment or provision by a person that paid for or provided the property (limited to the property, in cases where the book value immediately before the payment or provision by a person that paid for or provided the property, as the book value at the member commodity exchange of that property (the appropriate value, in cases where that book value is not appropriate; the same applies below) is required to be indicated) which was paid for or provided to a member commodity exchange using the contribution made by that member;
  - (c) among the amount of the expenses related to the acceptance of the contribution made, the amount which a member commodity exchange determined to be subtracted from the contribution or the capital surplus;



- (ii) when a member commodity exchange determined to record as assets the claim related to the right to request a member to make a contribution: the value of that claim;
  - (iii) when a member commodity exchange determined that all or some of the amount of capital surplus to be the amount of the contribution: the amount of the capital surplus.
- (2) The amount of the contribution of a member commodity exchange is to be reduced by the amount stated in the following items, limited to the cases stated in those items:
- (i) in cases when a member commodity exchange repays the equity interest to a withdrawing member: the amount recorded in the amount of the contribution for the contribution by the withdrawing member;
  - (ii) when a member commodity exchange repays the contribution to a member: the amount determined to be reduced from the amount of the contribution within the scope of the value of the contribution to be repaid by the refunding of the contribution (limited to an amount less than that recorded in the amount of the contribution for the contribution by the member);
  - (iii) when a member commodity exchange determined not to record as assets the claim stated in item (ii) of the preceding paragraph that has been recorded as assets: the amount that has been recorded in the contribution for the claim;
  - (iv) when a member commodity exchange determined all or part of the contribution to be capital surplus: the amount equivalent to the amount determined to be the capital surplus;
  - (v) when appropriating as compensation for loss: the amount which a member commodity exchange determined to appropriate as compensation for loss within the scope of the amount of the contribution.

(Amount of Capital Surplus)

Article 25 (1) With regard to the amount of the capital surplus of a member commodity exchange, the amounts specified in the following items are to increase, in addition to what is specified in the provisions of Article 60-6, Article 60-7, and Articles 60-9 through 60-12, limited to the cases stated in those items:

- (i) when a member has made a contribution (excluding when the claim stated in the following item related to the contribution made has been recorded as assets): the amount obtained by deducting the amount stated in (b) from the amount stated in (a):
  - (a) the amount obtained by deducting the amount stated in (c) from the sum of the amounts stated in (a) and (b) of paragraph (1), item (i) of the preceding Article;

- (b) the amount recorded in the amount of the contribution upon the making the contribution;
  - (ii) when a member commodity exchange determined to record as assets the claim related to the right to request a member to make a contribution: the amount obtained by subtracting the amount stated in (b) from the amount stated in (a);
    - (a) the amount specified in paragraph (1), item (ii) of the preceding Article;
    - (b) the amount recorded in the amount of the contribution upon the determination;
  - (iii) when a member commodity exchange determined that all or some of the amount of contribution to be capital surplus: the amount determined to be the amount of the capital surplus;
  - (iv) when appropriating as compensation for loss: the amount which a member commodity exchange determined to appropriate as compensation for the loss within the scope of the amount of contribution;
  - (v) in other cases when it is appropriate to increase the amount of capital surplus: the appropriate amount.
- (2) The amount of the capital surplus of a member commodity exchange is to be reduced by the amount stated in the following items, limited to the cases stated in those items:
- (i) when a member commodity exchange repays the equity interest to a withdrawing member: the amount recorded in the amount of the capital surplus for the contribution by the withdrawing member;
  - (ii) when a member commodity exchange repays the contribution to a member: the amount obtained by deducting the amount to be reduced from the amount of the contribution pursuant to the provisions of paragraph (2) of the preceding Article when repaying the contribution from the value of the contribution to be repaid by the repayment of that contribution;
  - (iii) when a member commodity exchange determined not to record as assets the claim stated in item (ii) of the preceding paragraph that has been recorded as assets: the amount that has been recorded in the capital surplus for the claim;
  - (iv) when a member commodity exchange determined that all or some of the amount of capital surplus to be the amount of contribution: the amount equivalent to the amount determined to be the contribution; and
  - (v) in other cases where it is appropriate to decrease the amount of the capital surplus: the appropriate amount.

(Amount of Accumulated Profit)

Article 26 (1) The amount of the accumulated profit of a member commodity exchange is to increase by the amount specified in the following items, limited

to the cases stated in those items, in addition to what is specified in the provisions of Article 60-6, Article 60-7, and Articles 60-9 through 60-12:

- (i) when the accumulated profit for the term has been generated: the amount of the accumulated profit for the term;
  - (ii) when a member commodity exchange repays the equity interest to a withdrawing member: the amount obtained by deducting the amount stated in (b) from the amount stated in (a) (zero, if the obtained amount is less than zero):
    - (a) the sum of the amount recorded in the amount of contribution and capital surplus for the contribution by the member who received the repayment of the equity interest;
    - (b) the book value of the property refunded by the repayment of the equity interest;
  - (iii) in other cases when it is appropriate to increase the amount of the accumulated profit: the appropriate amount.
- (2) The amount of the accumulated profit of a member commodity exchange is to be reduced by the amount stated in the following items, limited to the cases stated in those items; provided, however, that the amount equivalent to the book value of the property refunded by the repayment of the contribution is not to be deducted from the amount of the accumulated profit:
- (i) in the case that loss for the current term has been generated: the amount of the loss for the current term;
  - (ii) when a member commodity exchange repays the equity interest to a withdrawing member: the amount obtained by subtracting the amount stated in (b) from the amount stated in (a) (zero, if the obtained amount is less than zero):
    - (a) the book value of the property refunded by the repayment of the equity interest;
    - (b) the sum of the amount recorded in the amount of contribution and capital surplus for the contribution by the member who received the repayment of the equity interest;
  - (iii) when a member makes a contribution (limited to when the sum of the amount stated in (a) and (b) of Article 24, paragraph (1), item (i) is less than zero): the total amount; and
  - (iv) in other cases when it is appropriate to decrease the amount of accumulated profit: the appropriate amount.

(Special Provision on Keeping of Electronic or Magnetic Records)

Article 26-2 The means specified by order of the competent ministry as prescribed in Article 68-2, paragraph (2) of the Act are the means of using an electronic data processing system to connect a computer used by a member

commodity exchange through a telecommunications line, which is a means of recording the content of the information in a file on the computer into the file on the computer used at the principal office or secondary offices of the member commodity exchange through a telecommunications line.

(Public Notice of a Balance Sheet)

Article 26-3 When a member commodity exchange gives public notice pursuant to the provisions of Article 68-3 of the Act, it must clarify the amount of the net surplus or net loss for the term in the public notice.

(Application for Authorization of Mergers of Member Commodity Exchanges)

Article 27 When a member commodity exchange seeks to obtain authorization for a merger under the provisions of Article 76, paragraph (1) of the Act, it must attach the following documents to a written application for authorization and submit them to the competent minister:

- (i) a document stating the reasons for the merger;
- (ii) minutes of a general meeting of members; and
- (iii) settlement related documents, etc. for the immediately preceding business year.

(Inventories of Property)

Article 27-2 (1) An inventory of property required to be prepared pursuant to the provisions of Article 492, paragraph (1) of the Companies Act as applied mutatis mutandis pursuant to Article 77, paragraph (1) of the Act is governed by this Article.

- (2) Regarding the property to be recorded in an inventory of property stated in the preceding paragraph, its disposal price on the day when the case has fallen under the cases stated in the provisions of Article 475 (excluding item (i) and item (iii)) of the Companies Act as applied mutatis mutandis pursuant to Article 77, paragraph (1) of the Act must be recorded, excluding when it is difficult to record the disposal price. In this case, with regard to the accounting books of a member commodity exchange which is to be liquidated pursuant to the provisions of Article 475 (excluding the part related to items (i) and (iii)) of the Companies Act as applied mutatis mutandis pursuant to Article 77, paragraph (1) of the Act, the price recorded in the inventory of property is deemed to be the acquisition value.
- (3) The inventory of property referred to in paragraph (1) must indicate the values by categorizing them into the following sections. In this case, the sections stated in items (i) and (ii) may be subdivided into sub-items with an appropriate title showing the contents:
  - (i) assets section;

- (ii) liabilities section; and
- (iii) net worth section.

(Balance Sheets at the Start of Liquidation)

Article 27-3 (1) A balance sheet required to be prepared pursuant to the provisions of Article 492, paragraph (1) of the Companies Act as applied mutatis mutandis pursuant to Article 77, paragraph (1) of the Act is governed by this Article.

- (2) The balance sheet referred to in the preceding paragraph must be prepared based on an inventory of property.
- (3) The balance sheet referred to in paragraph (1) must indicate the values by categorizing them into the following sections. In this case, the sections stated in items (i) and (ii) may be subdivided into sub-items with an appropriate title showing the contents:
  - (i) assets section;
  - (ii) liabilities section; and
  - (iii) net assets section.
- (4) If there are assets whose disposal price is difficult to record, an explanatory note on the policy for property valuation concerning the assets must be indicated in the balance sheet referred to in paragraph (1).

(Documents Attached to Written Applications for Licenses)

Article 28 (1) The document specified by order of the competent ministry as referred to in Article 79, paragraph (2) of the Act is as follows (in cases of documents certified by a public agency, limited to those prepared within three months before the date of filing the application for a license):

- (i) a certificate of the registered information;
- (ii) a document pledging that the person does not fall under any of the provisions of Article 15, paragraph (2), item (i), sub-items (c) through (e) or sub-item (i) of the Act;
- (iii) a document specified as follows in accordance with the cases stated in each sub-item:
  - (a) when an officer is a foreign national: a copy of the residence certificate, etc. and the curriculum vitae of the officer, and a document pledging that the person does not fall under any of the provisions of Article 15, paragraph (2), item (i), sub-items (a) through (k) of the Act;
  - (b) when an officer is a corporation: a certificate of the registered information of the officer, a document stating the history of the corporation, and a document pledging that the officer does not fall under any of the provisions of Article 15, paragraph (2), item (i), sub-item (1) of the Act;
  - (c) when an officer is neither a foreign national nor a corporation: a copy of

- the residence certificate, etc. and the curriculum vitae of the officer, a certificate issued by a public agency proving that the person does not fall under the provisions of Article 15, paragraph (2), item (i), sub-item (b) of the Act, and a document pledging that the person does not fall under any of the provisions of sub-item (a), or sub-items (c) through (k) of that item;
- (iv) a document that states the name or trade name of a trading participant and the location of their principal office or head office, a document pledging that the person does not fall under any of the provisions of the items of Article 31, paragraph (1) of the Act, and when completing settlement by the methods stated in Article 105, item (i) of the Act for one or more commodity markets which a member commodity exchange related to the application seeks to open, a record concerning the amount of the net assets of the person prepared according to Form No. 1 within 30 days before the date of filing the application for a license;
  - (v) a document pledging that the majority of the trading participants who seek to conduct transactions in the commodity market fall under the following persons for the category of commodity markets stated in each item:
    - (a) a commodity market related to a listed commodity: a person who has engaged in the purchase and sale, etc. of component products of listed commodities in the commodity market for one year or more on a continuous basis in the course of trade;
    - (b) commodity market related to a listed commodity index: persons who have engaged in the purchase and sale, etc. of products underlying the listed commodity index (meaning products underlying the listed commodity index prescribed in Article 10, paragraph (2), item (ii) of the Act) in the commodity market for one year or more on a continuous basis in the course of trade;
  - (vi) when an organizational meeting was held, the minutes of the meeting;
  - (vii) a document stating the status of securing employees who have the knowledge and experience related to the business of a commodity exchange and the status of the assignment of those employees;
  - (viii) a document stating the estimated transaction volume of futures transactions for one year after the opening of a commodity market which they seek to open;
  - (ix) when seeking to open a commodity market related to a listed commodity, a document stating that it is appropriate to conduct transactions of component products of listed commodities in a single commodity market;
  - (x) when seeking to open a commodity market by specifying two or more commodity indices as a single listed commodity index, a document clarifying that the majority of the goods or electric power subject to those indices are similar;

- (xi) when using an electronic data processing system in opening a commodity market, a document stating the outline, installation location, capacity, maintenance method of the electronic data processing system, and method of handling in the case of malfunction of the electronic data processing system; and
  - (xii) a document stating other information to be used as a reference in recognizing whether the criteria stated in Article 80, paragraph (1) of the Act have been met.
- (2) If a stock company other than an incorporated commodity exchange submits a written application for a license to become an incorporated commodity exchange by changing its prior purpose pursuant to the provisions of Article 79, paragraph (1) of the Act, the documents specified by order of the competent ministry as referred to in paragraph (2) of that Article are the following documents, in addition to those stated in the items of the preceding paragraph (excluding item (vi)):
- (i) the minutes of the shareholders meeting which adopted the resolution that the stock company will become an incorporated commodity exchange by changing its prior purpose;
  - (ii) financial statements, etc. (meaning the financial statements, etc. prescribed in Article 2, paragraph (3), item (xii) of the Regulations for Enforcement of the Companies Act (Ministry of Justice Order No. 12 of 2006) (limited to the part pertaining to (a)) and their annexed detailed statement for the immediately preceding business year.

(Submission of Doctor's Medical Certificates)

Article 28-2 When an application for the license under Article 78 of the Act is filed, and the competent minister finds it necessary for examining whether the license applicant falls under Article 15, paragraph (2), item (i), (l) of the Act (limited to the part related to (a) and (k)), the minister may request the applicant to submit a doctor's medical certificate stating the name of the illness of the person subject to the examination, whether the person has any mental impairment and the level of impairment, causes of the illness, post-illness progress, prospects of recovery, and other remarks for reference.

(Documents Attached to Notifications of Change of the Names of Officers or Trading Participants)

Article 29 The documents specified by order of the competent ministry as referred to in Article 85, paragraph (2) of the Act are as follows (when documents certified by a public agency, limited to those prepared within three months before the date of filing the notification of change):

- (i) when the notification of change relates to a newly appointed officer, a

document specified as follows in accordance with the cases stated in each sub-item:

- (a) when a newly appointed officer is a foreign national: a copy of the residence certificate, etc. and a curriculum vitae of the officer, and a document pledging that the person does not fall under any of the provisions of Article 15, paragraph (2), item (i), sub-items (a) through (k) of the Act;
- (b) when a newly appointed officer is a corporation: a certificate of the registered information of the officer, a document stating the history of the corporation, and a document pledging that the person does not fall under the provisions of Article 15, paragraph (2), item (i), (l) of the Act;
- (c) when a newly appointed officer is neither a foreign national nor a corporation: a copy of the residence certificate, etc. and a curriculum vitae of the officer, a certificate issued by a public agency proving that the person does not fall under the provisions of Article 15, paragraph (2), item (i), (b) of the Act, and a document pledging that the person does not fall under any of the provisions in sub-items (a) and sub-items (c) through (k) of that item;
- (ii) when the notification of change relates to a person that has newly become a trading participant, a document stating the name or trade name of that person and the location of their principal office or head office, a document pledging that the person does not fall under any of the provisions of the items of Article 31, paragraph (1) of the Act, and when completing settlement by the methods stated in Article 105, item (i) of the Act for one or more commodity markets which the incorporated commodity exchange related to the notification seeks to open, a record concerning the amount of the net assets of the person prepared according to Form No. 1 within 30 days before the day when that person became a trading participant; and
- (iii) when the notification of change relates to the addition of a listed commodity or listed commodity index on a commodity market where a trading participant conducts transactions, and when completing settlement by the methods stated in Article 105, item (i) of the Act, a record concerning the amount of the net assets of the person prepared according to Form No. 1 within 30 days before the day of the notification of change.

(Facts Presumed to Have Material Effects on Decisions of Financial and Business Policies)

Article 29-2 The facts specified by order of the competent ministry as referred to in the main clause of Article 86, paragraph (1) of the Act are as follows:

- (i) a person who is or was an officer or an employee and capable of influencing decisions of financial and operational or business policies of the incorporated



- commodity exchange referred to in the main clause of Article 86, paragraph (1) of the Act has assumed the position of a company director or executive officer, or an equivalent post of the incorporated commodity exchange;
- (ii) important financing is provided to the incorporated commodity exchange;
- (iii) important technology is provided to the incorporated commodity exchange;
- (iv) important operational or business transactions are conducted with the incorporated commodity exchange; and
- (v) there are other facts that are presumed to have a material effect on decisions of financial and operational or business policies of the incorporated commodity exchange exist.

(Voting Rights Excluded from Voting Rights Acquired or Held by Taking into Account the Manner of Acquisition or Holding or Other Circumstances)

Article 30 The voting rights specified by order of the competent ministry referred to in the main clause of Article 86, paragraph (1) of the Act are the following voting rights:

- (i) voting rights related to the shares of an incorporated commodity exchange acquired or held as trust property by a person that engages in trust business (meaning the trust business as defined in Article 2, paragraph (1) of the Trust Business Act (Act No. 154 of 2004)) (excluding those that are deemed to be the voting rights personally acquired or held by the person that engages in trust business, pursuant to the provisions of Article 86, paragraph (5) of the Act (limited to the part related to item (i)));
- (ii) voting rights related to the shares of an incorporated commodity exchange held by a corporation when a person having the right to represent the corporation or a manager having the right to represent the corporation has the authority to exercise voting rights, the authority to give instructions on the exercise of voting rights, or the authority required for making an investment, based on the right to represent or their authority of representation;
- (iii) when an officer or employee of an incorporated commodity exchange has acquired the shares of the incorporated commodity exchange (limited to those conducted according to a certain plan, without depending on an individual investment decision, on an ongoing basis, for which each officer or employee has contributed less than one million yen at a time) jointly with another officer or employee of the incorporated commodity exchange (when the incorporated commodity exchange has acquired the shares other than those acquired based on the provisions of Article 156, paragraph (1) of the Companies Act (including as applied pursuant to Article 165, paragraph (3) of that Act following the deemed replacement of terms), limited to when the acquisition was entrusted to a financial instruments business operator),

- voting rights relating to the shares of the incorporated commodity exchange acquired or held by a person that has deposited the shares of the incorporated commodity exchange which conducted the acquisition (excluding those that are deemed to be the voting rights personally acquired or held by the person that has deposited the shares, pursuant to the provisions of Article 86, paragraph (5) of that Act (limited to the part related to item (i)));
- (iv) voting rights related to the shares of an incorporated commodity exchange acquired or held by an heir through inheritance (limited to the shares held before the day the heir gave an unqualified acceptance (including cases in which an unqualified acceptance is deemed to have been given) (excluding cases of coinheritance) or gave a qualified acceptance, or the shares whose division has not been completed by the coheirs);
- (v) voting rights related to the shares of an incorporated commodity exchange acquired or held by an incorporated commodity exchange for the purpose of cancellation of its own shares.

(Exemption of Restrictions on Acquisition)

Article 31 The cases specified by order of the competent ministry as referred to in Article 86, paragraph (2), Article 96-19, paragraph (2), and Article 96-25, paragraph (2) of the Act are as follows:

- (i) cases in which there is no increase in the number of subject voting rights (meaning the subject voting rights prescribed in the main clause of Article 86, paragraph (1) of the Act; the same applies below) of an incorporated commodity exchange held;
- (ii) cases in which the subject voting rights of an incorporated commodity exchange are acquired or held by exercising security rights or accepting substitute performance;
- (iii) cases in which the subject voting rights of an incorporated commodity exchange are acquired or held by a financial instruments business operator for the purpose of business (excluding cases when they have acquired or held the rights through the acts stated in Article 2, paragraph (8), item (i) of the Financial Instruments and Exchange Act); and
- (iv) cases in which the subject voting rights of an incorporated commodity exchange are acquired or held by a securities finance company (meaning a securities finance company prescribed in Article 2, paragraph (30) of the Financial Instruments and Exchange Act; the same applies in Article 36-10) for the purpose of the business prescribed in Article 156-24, paragraph (1) of that Act.

(Specified Holders' Notifications)

Article 31-2 The information specified by order of the competent ministry as

referred to in Article 86, paragraph (3) of the Act is the following:

- (i) the day the person became a specified holder (meaning a specified holder prescribed in Article 86, paragraph (3) of the Act; the same applies below);
- (ii) the grounds on which the person came to fall under specified holders; and
- (iii) the number of subject voting rights held by the person.

(Notifications of Holding Subject Voting Rights)

- Article 31-3 (1) A person submitting a notification of holding subject voting rights pursuant to the provisions of Article 86-2, paragraph (1) of the Act must submit to the competent minister a notification of holding subject voting rights prepared according to Form No. 1-2 and its copy.
- (2) The information specified by order of the competent ministry as referred to in Article 86-2, paragraph (1) of the Act is the following:
- (i) trade name or name;
  - (ii) location of the head office or principal office, or its address or residence;
  - (iii) number of voting rights held;
  - (iv) information concerning a person having a special relationship (meaning the relationship stated in the items of Article 9, paragraph (1) or the items of Article 12 paragraph (1) of the Order) with the person submitting the notification of holding subject voting rights.

(Identification Cards)

Article 31-4 The identification card that an employee is required to carry pursuant to the provisions of Article 86-3, paragraph (2) (Article 96-21, paragraph (3) (including cases in which the provisions of paragraph (1) of that Article are applied mutatis mutandis pursuant to paragraph (2) of that Article), Article 96-30, paragraph (2), Article 96-33, paragraph (3) (including cases in which the provisions of paragraph (1) of that Article are applied mutatis mutandis pursuant to paragraph (2) of that Article), and Article 96-39, paragraph (2) of the Act (including as applied mutatis mutandis pursuant to Article 157, paragraph (4)) or Article 157, paragraph (4) (including as applied mutatis mutandis pursuant to Article 184, paragraph (2), Article 231, paragraph (4), Article 240-22, paragraph (3), Article 263, paragraph (2), Article 322, paragraph (2), Article 338, paragraph (2) (including as applied mutatis mutandis pursuant to Article 345 of the Act) and Article 349, paragraph (6) of the Act) is according to Form No. 2.

(Information for Public Inspection)

Article 32 (1) The information specified by order of the competent ministry as referred to in Article 87 of the Act, is the total number of issued shares and the number of voting rights of all shareholders of the incorporated commodity

exchange.

- (2) When there is a change to the total number of issued shares or the number of voting rights of all shareholders due to the conversion of shares or the exercise of share options, the total number of issued shares or the number of voting rights of all shareholders may be the number as of the last day of the previous month.
- (3) When there is a change to the total number of issued shares of an incorporated commodity exchange, the registered total number of issued shares may be deemed to be the total number of issued shares referred to in paragraph (1) until the registration is made.
- (4) An incorporated commodity exchange must keep documents that state the information specified in paragraph (1) at its head office and make them available for public inspection during its business hours.

(Application for Authorization for Reduction in Amount of Stated Capital)

Article 33 When an incorporated commodity exchange seeks authorization for reduction in the amount of stated capital pursuant to the provisions of Article 88, paragraph (1) of the Act, it must attach the following documents to the written application for authorization and submit them to the competent minister:

- (i) a document stating the reasons for the reduction in the amount of stated capital;
- (ii) a document stating the method to reduce the amount of stated capital;
- (iii) minutes of a shareholders meeting and other documents proving that the necessary procedures have been taken;
- (iv) a balance sheet for the immediately preceding business year;
- (v) a document stating that a public notice or a notification under the provisions of Article 449, paragraph (2) of the Companies Act (when a public notice has been given not only in an Official Gazette, but also by publication in a daily newspaper which publishes matters on current events or by an electronic public notice pursuant to the provisions of paragraph (3) of that Article, a public notice by those means) has been given, and when a creditor has made an objection, documents proving that payment has been made or a reasonable collateral has been provided to the creditor or reasonable property has been deposited in trust for the purpose of having the creditor receive the payment, or that the reduction of the stated capital is not likely to harm the creditor; and
- (vi) Regarding companies that issue shares, a document proving that a public notice under the provisions of the main clause of Article 219, paragraph (1) of the Companies Act, or a document proving that the shares have not been issued for all of the shares.

(Notifications of Increases in Amount of Stated Capital)

Article 34 When an incorporated commodity exchange seeks to give notification of increase in the amount of stated capital under the provisions of Article 88, paragraph (2) of the Act, it must attach the following documents to the written application for authorization and submit them to the competent minister:

- (i) minutes of a board of directors and other documents proving that the necessary procedures have been taken;
- (ii) a document stating the method of increasing the amount of stated capital; and
- (iii) a balance sheet with an estimate of the increase in the amount of stated capital.

(Application for Authorization Related to Resolution on Dissolution of an Incorporated Commodity Exchange)

Article 35 When an incorporated commodity exchange seeks to obtain authorization for the resolution of a shareholders meeting for dissolution or merger pursuant to the provisions of Article 96, paragraph (1) of the Act, it must attach the following documents to the written application for authorization and submit them to the competent minister:

- (i) a document stating the reasons for the dissolution or merger;
- (ii) minutes of a shareholders meeting and other documents proving that the necessary procedures have been taken;
- (iii) financial statements, etc. and their annexed detailed statements for the immediately preceding business year.

(Exemption of Notifications of Dissolution)

Article 36 T The cases specified by order of the competent ministry as referred to in the proviso to Article 96, paragraph (2) of the Act are cases in which the merger referred to in Article 145, paragraph (1) of the Act is to be implemented.

(Handling Cases of Emergency)

Article 36-2 The self-regulation related services specified by order of the competent ministry as referred to in the paragraphs of Article 96-7 of the Act are dispositions against members, etc.

(Information on Which Consent of the Self-Regulating Committee is Required to Be Obtained)

Article 36-3 (1) The criteria for granting qualification of trading participants are specified by order of the competent ministry as referred to in Article 96-9 of the Act.

- (2) When a specified incorporated commodity exchange (meaning a specified incorporated commodity exchange prescribed in Article 96-2, paragraph (2) of the Act), seeks to establish criteria for granting qualification of trading participants, it is to obtain the consent of the self-regulating committee.

(Minutes of Self-Regulating Committee Meetings)

Article 36-4 The minutes referred to in Article 96-13, paragraph (3) of the Act must include the following information:

- (i) the date and time when and the place where the self-regulating committee meeting was held (including the method of attendance in the case that self-regulating committee members who were not present at the place attended the self-regulating committee meeting);
- (ii) the outline and results of the proceedings of the self-regulating committee meeting;
- (iii) when there is a self-regulating committee member who has a special interest in a matter that requires a resolution, the name of that person;
- (iv) when an executive officer, company director, accounting advisor, or accounting auditor attends a self-regulating committee meeting, the name of that person;
- (v) when there is a chairperson of the self-regulating committee meeting, the chairperson's name; and
- (vi) the name of the self-regulating committee member who performed the work of preparing the minutes.

(Application, Mutatis Mutandis of Provisions on Electronic Signatures Related to Minutes of Self-Regulating Committee Meetings)

Article 36-5 The provisions of Article 2 apply mutatis mutandis to measures in place of signing or affixing names and seals under the provisions of Article 96-13, paragraph (5) of the Act.

(Matters to Be Decided for Execution of the Duties of Self-Regulating Committees)

Article 36-6 The matters specified by order of the competent ministry as referred to in Article 96-17 are the following matters:

- (i) matters concerning company directors and employees required to assist with the duties of the self-regulating committee;
- (ii) matters concerning company directors, executive officers, and employees who execute the operation of self-regulation related services;
- (iii) matters concerning the system for the company directors, executive officers, and employees referred to in the preceding item to report to the self-regulating committee matters concerning execution of the operation of self-

- regulation related services and matters concerning other reports to the self-regulating committee; and
- (iv) other systems for ensuring that decisions on matters concerning the self-regulating committee's operation of self-regulation related services are made effectively.

(Applications for Authorization by Major Shareholders of Incorporated Commodity Exchanges)

Article 36-7 (1) A person seeking to obtain authorization under Article 96-19, paragraph (1) of the Act must submit a written application for authorization stating the following information to the competent minister:

- (i) trade name or name and location of the head office or principal office (in cases of a local government, its office) or its address or residence;
  - (ii) in cases of a local government, the name of the head of the local government;
  - (iii) in cases of a corporation (excluding local governments) the name of its representative;
  - (iv) the number and percentage of subject voting rights of the incorporated commodity exchange related to the authorization held by the applicant for authorization and the number and percentage of subject voting rights of the incorporated commodity exchange sought to be acquired or held by the applicant for authorization after obtaining the authorization; and
  - (v) reason for acquiring or seeking to hold subject voting rights of the incorporated commodity exchange related to the authorization.
- (2) The following documents (in cases of documents certified by a public agency, limited to those prepared within three months before the date of filing the application for authorization) must be attached to the written application for authorization referred to in the preceding paragraph:
- (i) the documents specified in the following sub-items (a) through (c) in accordance with the category of cases stated in the sub-items (a) through (c) (when some of the documents are not available because the applicant is a foreign corporation or for other reasons, documents equivalent to those documents);
    - (a) when the applicant for authorization is a local government: documents disclosing the recent status of property and income and expenditure of the applicant for authorization;
    - (b) when the applicant for authorization is a corporation (excluding a local government; the same applies in (c)): the following documents concerning the applicant for authorization:
      1. articles of incorporation;
      2. certificate of registered information;

3. for an officer (excluding an accounting advisor), a copy of the residence certificate, etc. and a curriculum vitae, a certification issued by a public agency that the person does not fall under the provisions of Article 96-20, paragraph (2), item (i), (b) of the Act (limited to the part related to Article 15, paragraph (2), item (i), (b) of the Act) (excluding the case in which the person is a foreign national), and a document pledging that the person does not fall under any of the provisions of Article 96-20, paragraph (2), item (ii), (a) or (b) of the Act (limited to the part related to Article 15, paragraph (2), item (i), (b) of the Act), or (c) of that item (if the person is a foreign national, Article 96-20, paragraph (2), item (i), sub-items (a) through (c) of the Act);
4. when the applicant for authorization is a company with accounting advisors, a copy of each accounting advisor's residence certificate, etc. (if the person is a corporation, its certificate of registered information) and curriculum vitae (if the person is a corporation, a document stating the history of the corporation), a certification issued by a public agency proving that the accounting advisor does not fall under the provisions of Article 96-20, paragraph (2), item (i), (b) of the Act (limited to the part related to Article 15, paragraph (2), item (i), (b) of the Act) (excluding the case in which the person is a foreign national), and a document pledging that the accounting advisor does not fall under any of the provisions of Article 96-20, paragraph (2), item (ii), (a) or (b) of the Act (excluding the part related to Article 15, paragraph (2), item (i), (b) of the Act), or (c) of that item (if the person is a corporation, Article 96-20, paragraph (2), item (i), (b) of the Act (excluding the part related to Article 15, paragraph (2), item (i), (b) and (j) of the Act), or (d) of that item; if the person is a foreign national, Article 96-20, paragraph (2), item (i), sub-items (a) through (c) of the Act);
5. when there is a person that holds more than 5 percent of the voting rights (meaning the voting rights prescribed in Article 9, paragraph (1), item (iii) of the Order; the same applies below in this 5. part) of all shareholders, etc. of the applicant for authorization (meaning all shareholders, etc. prescribed in Article 9, paragraph (1), item (iii) of the Order; excluding Article 82, paragraph (1), item (iii) and paragraph (2), item (xiii), (b); the same applies below), a document stating that person's name, address or residence, nationality and occupation (if the person is a corporation or other organization, its trade name or name, location of its head office or principal office and the content of the business it is conducting) as well as the number of voting rights held;
6. when the application for authorization requires a resolution of a shareholders meeting or the board of company directors meeting



- (including an equivalent body; the same applies below in this 6. part), the minutes of a shareholders meeting or of the board of directors meeting related to the matter, and other documents proving that the necessary procedures have been taken;
7. a document stating the content of business;
  8. documents disclosing the recent status of business, property and income and expenditure of the applicant for authorization, such as the balance sheet, profit and loss statement, and statement of changes in net assets for the immediately preceding business year;
  9. when the applicant for authorization is a foreign commodity market establisher (meaning a foreign commodity market establisher prescribed in Article 11, item (ii) of the Order; the same applies below), a document proving that the establisher has obtained the same type of permission as the permission under Article 9 or Article 78 of the Act, or authorization similar to the permission, or other administrative dispositions in the country where the applicant's head office or principal office is located;
  10. when the applicant for authorization is a foreign commodity market establisher holding company (meaning a foreign commodity market establisher holding company prescribed in Article 11, item (iii) of the Order; the same applies in the 10. and 13. parts, a document proving that the authority responsible for enforcement of the laws and regulations of the country where the head office or principal office of the applicant for authorization is located which correspond to the Act (including orders based on the Act) has granted the same type of authorization as the authorization under Article 96, paragraph (25), item (i) of the Act or has granted permission similar to the authorization, or taken other acts concerning the fact that the applicant for authorization is a foreign commodity market establisher holding company;
  11. when the applicant for authorization is a foreign financial instruments exchange market establisher (meaning a foreign financial instruments exchange market establisher prescribed in Article 60-2, paragraph (1), item (vi) of the Financial Instruments and Exchange Act; the same applies below), a document proving that the applicant for authorization has obtained the same type of license as the license under Article 80, paragraph (1) of the Financial Instruments and Exchange Act or permission similar to the license, or other administrative dispositions in the country where its head office or principal office is located;
  12. when the applicant for authorization is a foreign financial instruments exchange market establisher holding company (meaning a foreign

financial instruments exchange market establisher holding company prescribed in Article 11, item (v) of the Order; the same applies below in the 12. and 13. parts), a document proving that the authority responsible for enforcement of the laws and regulations of the country where the head office or principal office of the applicant for authorization is located which correspond to the Financial Instruments and Exchange Act (including orders based on that Act) has granted the same type of authorization as the authorization under Article 106-10, paragraph (1) of the Financial Instruments and Exchange Act or has granted permission similar to the authorization, or taken other acts concerning the fact that the applicant for authorization is a foreign financial instruments exchange market establisher holding company; and

13. when the applicant for authorization is a foreign commodity market establisher, a foreign commodity market establisher holding company, a foreign financial instruments exchange market establisher, or a foreign financial instruments exchange market establisher holding company, documents that disclosing that the incorporated commodity exchange of which these persons, with the authorization under Article 96-19, paragraph (1), seek to obtain or hold subject voting rights of a number greater than the holding ratio threshold (meaning the holding ratio threshold prescribed in the main clause of Article 86, paragraph (1) of the Act; the same applies in item (iii)) of the voting rights (meaning the voting rights prescribed in the main clause of Article 86, paragraph (1) of the Act; the same applies in item (iii)) of all shareholders, but less than 50 percent is a subsidiary company (meaning a subsidiary company prescribed in Article 3-2, paragraph (3) of the Act) of a commodity exchange, etc. (meaning a commodity exchange, commodity exchange holding company, financial instrument exchange, or financial instrument exchange holding company prescribed in the proviso to Article 86, paragraph (1) of the Act);
- (c) when the applicant for authorization is other than a local government or a corporation: the following documents concerning the applicant for authorization:
  1. a document stating their occupation;
  2. a copy of the residence certificate, etc.; and
  3. a certification issued by a public agency proving that the applicant for authorization does not fall under the provisions of Article 96-20, paragraph (2), item (i), (b) of the Act (limited to the part related to Article 15, paragraph (2), item (i), (b) of the Act) (excluding the case in which the person is a foreign national), and a document pledging that

the applicant does not fall under any of the provisions of Article 96-20, paragraph (2), item (i), (a) or (b) of the Act (limited to the part related to Article 15, paragraph (2), item (i), (b) of the Act), or (c) of that item (if the person is a foreign national, Article 96-20, paragraph (2), item (i), sub-items (a) through (c) of the Act);

- (ii) a document stating the system concerning holding of subject voting rights of the incorporated commodity exchange related to the authorization;
- (iii) a document stating any planned relationship between the applicant for authorization and the incorporated commodity exchange related to the authorization in terms of personnel affairs, funds, technology, transactions or other matters after the authorization and the policy related to the relationship (including a system to ensure the sound and appropriate management of the business of the incorporated commodity exchange); and
- (iv) documents stating other information to be used as a reference for certifying whether the criteria stated in Article 96-20, paragraph (1) of the Act have been met.

(Application, Mutatis Mutandis of the Provisions on Specified Holders)

Article 36-8 The provisions of Article 31-2 apply mutatis mutandis to information specified by order of the competent ministry as prescribed in Article 96-19, paragraph (3) of the Act (including as applied mutatis mutandis pursuant to Article 96-25, paragraph (4) and Article 96-31, paragraph (4) of the Act).

(Persons Specified by Order of the Competent Ministry as Referred to in Article 96-20, Paragraph (2), Item (i), (a) of the Act)

Article 36-8-2 (1) The person specified by order of the competent ministry as referred to in Article 96-20, paragraph (2), item (i), (a) of the Act (including as applied mutatis mutandis pursuant to Article 96-32, paragraph (2) of the Act) is a person that is unable to adequately carry out the cognition, decision making, and communication necessary for properly exercising the right of shareholders due to mental impairment.

- (2) The competent minister may request an applicant to submit a doctor's medical certificate stating the name of the illness of the person subject to the examination, whether the person has any mental impairment and the level of mental impairment, causes of the illness, post-illness progress, prospects of recovery, and other remarks for reference when the application for the authorization under Article 96-19, paragraph (1) of the Act is filed, and the minister finds it necessary to do so for examining whether the applicant for authorization falls under any of the provisions of Article 96-20, paragraph (2), item (i), (a) or (c) of the Act (excluding the part related to (b)), or (d) of that

item (excluding the part related to (b)).

(Documents Attached to Written Applications for Authorization Related to  
Commodity Exchange Holding Companies)

Article 36-9 The documents specified by order of the competent ministry as referred to in Article 96-26, paragraph (2) of the Act are the documents specified in the following items in accordance with the category of cases stated in each item (in cases of documents certified by a public agency, limited to those prepared within three months before the date of filing the application for authorization):

(i) in the case that the applicant for authorization, by obtaining the authorization under the main clause of Article 96-25, paragraph (1) of the Act, seeks to make an incorporated commodity exchange its subsidiary company (meaning a subsidiary company prescribed in Article 3-2, paragraph (3) of the Act; the same applies below in this Article) or the case that the applicant for authorization seeks to obtain the authorization under the proviso to Article 96-25, paragraph (3) concerning the fact that it is a company that has an incorporated commodity exchange as its subsidiary company: the following documents;

(a) a document stating the reason it has an incorporated commodity exchange as its subsidiary company; and

(b) the following documents concerning the applicant for authorization:

1. certificate of registered information;

2. a copy of the residence certificate, etc. and a curriculum vitae of the company director and the company auditor, a certification issued by a public agency proving that these persons do not fall under the provisions of Article 15, paragraph (2), item (i), (b) of the Act (excluding the case in which these persons are foreign nationals), and a document pledging that these persons do not fall under any of the provisions of sub-item (a) and sub-items (c) through (k) of that item (if these persons are foreign nationals, sub-items (a) through (k) of that item);

3. when the applicant for authorization is a company with accounting advisors, a copy of each accounting advisor's residence certificate, etc. (if the person is a corporation, its certificate of registered information) and curriculum vitae (if the person is a corporation, a document stating the history of the corporation), a certification issued by a public agency proving that the accounting advisor does not fall under the provisions of Article 15, paragraph (2), item (i), (b) of the Act (excluding the case in which the person is a foreign national), and a document pledging that the accounting advisor does not fall under any

- of the provisions of sub-item (a) and sub-items (c) through (k) of that item (if the person is a corporation, sub-items (c) through (i) and sub-item (l) of that item; if the person is a foreign national, sub-items (a) through (k) of that item);
4. when there is a person that holds voting rights exceeding 5 percent of the voting rights of all shareholders of the applicant for authorization (meaning voting rights prescribed in the main clause of Article 86, paragraph (1); the same applies below in the 4. and (b), 3. parts of the following item), documents stating the person's name, address or residence, nationality and occupation (when the person is a corporation or other organization, its trade name or name, the location of its head office or principal office and the content of the business it is conducting), and the number of voting rights the person holds;
  5. minutes of a shareholders meeting or a board of directors meeting and other documents proving that necessary procedures have been taken;
  6. documents stating the content of its business;
  7. documents disclosing the recent status of business, property and income and expenditure of the applicant for authorization, such as the balance sheet, profit and loss statement, and statement of changes in net assets for the immediately preceding business year;
  8. a document stating the system related to the business management of the incorporated commodity exchange which the applicant for authorization seeks to make its subsidiary company by obtaining the authorization under the main clause of Article 96-25, paragraph (1) or the proviso to paragraph (3) of the Article;
  9. a document stating the status of securing employees who have the knowledge and experience related to the business of an incorporated commodity exchange;
- (c) the following documents concerning an incorporated commodity exchange which the applicant for authorization seeks to make its subsidiary company by obtaining the authorization under the main clause of Article 96-25, paragraph (1) or the proviso to paragraph (3) of the Act;
1. a document stating its trade name and the location of its head office;
  2. a document stating the titles and names of its company directors and company auditors;
  3. when the incorporated commodity exchange is a company with accounting advisors, a document stating the names of the accounting advisors;
  4. documents disclosing the recent status of business, property and income and expenditure of the incorporated commodity exchange, such as the balance sheet, profit and loss statement, and statement of changes in

- net assets for the immediately preceding business year;
- (d) a document stating a forecast of income and expenditures for the applicant for authorization and the incorporated commodity exchange that is its subsidiary company for the three business years after obtaining the authorization under the main clause of Article 96-25, paragraph (1) or the proviso to paragraph (3) of the Act;
- (e) documents stating other information to be used as a reference for certifying whether the criteria stated in Article 96-27, paragraph (1) of the Act have been met;
- (ii) when the applicant for authorization seeks to establish a company that has an incorporated commodity exchange as its subsidiary company by obtaining the authorization under the main clause of Article 96-25, paragraph (1): the following documents
  - (a) a document stating the reason for establishing a company that has an incorporated commodity exchange as its subsidiary company;
  - (b) the following documents concerning the company to be established by obtaining the authorization (referred to below as the "established company" in this item):
    1. a copy of the residence certificate, etc. and curriculum vitae of the company director and company auditor, and a certification issued by a public agency proving that these persons do not fall under the provisions of Article 15, paragraph (2), item (i), (b) of the Act (excluding the case in which the persons are foreign nationals), and a document pledging that these persons do not fall under any of the provisions of sub-item (a) and sub-items (c) through (k) of that item (if these persons are foreign nationals, sub-items (a) through (k) of that item);
    2. when the established company is a company with accounting advisors, a copy, of each accounting advisor's residence certificate, etc. (if the person is a corporation, its certificate of registered information) and curriculum vitae (if the person is a corporation, a document stating the history of the corporation), a certification issued by a public agency proving that the accounting advisor does not fall under the provisions of Article 15, paragraph (2), item (i), (b) of the Act (excluding the case in which the person is a foreign national), and a document pledging that the accounting advisor does not fall under any of the provisions of sub-item (a) and sub-items (c) through (k) of that item (if the person is a corporation, sub-items (c) through (i) and sub-item (l) of that item; if the person is a foreign national, sub-items (a) through (k) of that item);
    3. when there is a person that seeks to hold voting rights that exceed 5 percent of the voting rights of all shareholders of the established

- company, documents stating the person's name, address or residence, nationality and occupation (when the person is a corporation or other organization, its trade name or name, the location of its head office or principal office, and the content of the business it is conducting), and the number of voting rights sought to be held;
4. when the establishment requires a resolution of an organizational meeting, the minutes of the organizational meeting concerning the establishment (in cases of establishment through share transfer, merger or split, the minutes of a shareholders meeting concerning the establishment) and other documents proving that necessary procedures have been taken;
  5. a document stating the content of the business;
  6. documents disclosing the amount of stated capital and the status of other property after the establishment;
  7. a document stating the system related to business management of the incorporated commodity exchange which the applicant for authorization seeks to make its subsidiary company by obtaining the authorization under the main clause of Article 96-25, paragraph (1) of the Act; or
  8. a document stating the status of securing employees that have knowledge and experience related to the business of an incorporated commodity exchange;
- (c) the following documents concerning the incorporated commodity exchange the established company seeks to make its subsidiary company:
1. a document stating its trade name and the location of its head office;
  2. a document stating the titles and names of its company directors and company auditors;
  3. when the incorporated commodity exchange is a company with accounting advisors, a document stating the names of the accounting advisors;
  4. documents disclosing the recent status of business, property, and income and expenditure of the incorporated commodity exchange, such as the balance sheet, profit and loss statement, and statement of changes in net assets for the immediately preceding business year;
- (d) a document stating a forecast of income and expenditures for the established company and the incorporated commodity exchange that is its subsidiary company for three business years after the establishment; and
- (e) documents stating other information to be used as a reference for certifying whether the criteria stated in Article 96-27, paragraph (1) of the Act have been met.

(Submission of Doctor's Medical Certificates)

Article 36-9-2 The competent minister may request an applicant to submit a doctor's medical certificate stating the name of the illness of the person subject to the examination, whether the person has any mental impairment and the level of mental impairment, causes of the illness, post-illness progress, prospects of recovery, and other remarks for reference when the application for the authorization under Article 96-25, paragraph (1) of the Act is filed, and when the minister finds it necessary to do so for examining whether officers of the applicant for authorization, etc. (meaning the applicant for authorization, etc. referred to in Article 96-27, paragraph (1), item (i) of the Act) include any person that falls under Article 15, paragraph (2), item (i), sub-item (a) or (k) of the Act (limited to the part related to sub-items (a) and (l)).

(Exemption of Restrictions on Acquisition)

Article 36-10 The cases specified by order of the competent ministry as referred to in Article 96-28, paragraph (2) and Article 96-31, paragraph (2) are the following cases:

- (i) if the number of subject voting rights of the commodity exchange holding company held does not increase;
- (ii) if the subject voting rights of the commodity exchange holding company are acquired or held as a result of the exercise of a security interest, or acceptance of substitute performance;
- (iii) if a financial instruments business operator acquires or holds the subject voting rights of the commodity exchange holding company for the purpose of business (excluding cases of acquiring or holding the rights through the acts stated in Article 2, paragraph (8), item (i) of the Financial Instruments and Exchange Act);
- (iv) if a securities finance company acquires or holds the subject voting rights of a commodity exchange holding company as the business prescribed in Article 156-24, paragraph (1) of the Financial Instruments and Exchange Act;

(Facts Presumed to Have Material Influences on the Determination of Fiscal and Operational Policies of Commodity Exchange Holding Companies)

Article 36-11 The provisions of Article 29-2 apply mutatis mutandis to the facts specified in order of the competent ministry as referred to in the main clause of Article 96-28, paragraph (1) of the Act; the provisions of Article 31-2 apply mutatis mutandis to the matters specified in order of the competent ministry as referred to in Article 96-28, paragraph (3) of the Act; the provisions of Article 31-3 apply mutatis mutandis to submission of the notification of holding subject voting rights pursuant to the provisions of Article 96-29 of the



Act; the provisions of Article 36-7 (excluding paragraph (2), item (i), (b), 10. and 12. parts of that Article) apply mutatis mutandis to the authorization under Article 96-31, paragraph (1) of the Act. In these cases, the phrase "the main clause of Article 86, paragraph (1) of the Act" in Article 29-2, item (i) is deemed to be replaced with "the main clause of Article 96-28, paragraph (1)", the term "incorporated commodity exchange" in that Article is deemed to be replaced with "commodity exchange holding company", and the phrase "a foreign commodity market establisher, a foreign commodity market establisher holding company, a foreign financial instruments exchange market establisher, or a foreign financial instruments exchange market establisher holding company" in Article 36-7, paragraph (2), item (i), (b), 13. is deemed to be replaced with "a foreign commodity market establisher or a foreign financial instruments exchange market establisher".

(Application for Authorization of Subsidiary Companies of Commodity Exchange Holding Companies)

Article 36-12 When seeking to obtain authorization pursuant to the provisions of the proviso to Article 96-37, paragraph (1) of the Act, a commodity exchange holding company must submit a written application for authorization to the competent minister, with the following documents attached:

- (i) a document stating the reason for making the company related to the authorization its subsidiary company (meaning a subsidiary company prescribed in Article 3-2, paragraph (3) of the Act; the same applies below in this Article);
- (ii) the following documents concerning the company that is to become its subsidiary company related to the authorization:
  - (a) a document stating its trade name and the location of its head office;
  - (b) a document stating the content of its business;
  - (c) a document stating the names and titles of its company directors and company auditors;
  - (d) when the company is a company with accounting advisors, a document stating the names of the accounting advisors;
  - (e) the articles of incorporation;
  - (f) a certificate of registered information; and
  - (g) documents disclosing its recent status of business, property, and profit and loss, such as the balance sheet, profit and loss statement, and statement of changes in net assets for the immediately preceding business year;
- (iii) the following documents concerning the commodity exchange holding company and its subsidiary company:
  - (a) the balance sheet, profit and loss statement, and statement of changes in

net assets for the immediately preceding business year that state the status of business and property for the commodity exchange holding company and its subsidiary company in a consolidated manner and other documents disclosing the recent status of business, property, and profit and loss of those companies;

- (b) a document stating a forecast of income and expenditures for the commodity exchange holding company and its subsidiary company (including the company that will become the subsidiary company related to the authorization; the same applies in (c)) for three business years after the authorization; and
- (c) a document stating the system related to the business management of the subsidiary company the commodity exchange holding company is to conduct; and
- (iv) documents stating other matters to be used as a reference.

(Basis for Calculating the Minimum Amount of Net Assets of Members)

Article 37 When a commodity exchange determines the minimum amount of the net assets of members who conduct transactions in the commodity market pursuant to the provisions of Article 99, paragraph (1) of the Act, it must take into account the type of transaction, the unit of transaction, the volume of transaction, and other trading circumstances in the commodity market and the securing of the fair and smooth performance of transactions in the commodity market.

(Basis for Calculating Net Assets)

Article 38 (1) When calculating the net assets pursuant to the provisions of Article 99, paragraph (7) of the Act (including as applied mutatis mutandis pursuant to Article 175, paragraph (3), Article 192, paragraph (3), Article 211, paragraph (4), Article 232, paragraph (4), and Article 279, paragraph (3) of the Act), the total amount required to be recorded in the liabilities section of a balance sheet (when the provisions of Article 99, paragraph (7) of the Act are applied mutatis mutandis pursuant to Article 211, paragraph (4) of the Act, excluding the total amount of the liabilities stated in items (vii) through (x), and in other cases, excluding the total amount of the liabilities stated in items (vii) item (viii)) is to be deducted from the total amount required to be recorded in the assets section (when the provisions of Article 99, paragraph (7) of the Act are applied mutatis mutandis pursuant to Article 211, paragraph (4) of the Act, excluding the total amount of the assets stated in items (i) through (vi)):

- (i) the following current assets:
  - (a) when accounts receivable from a requesting party, etc. (excluding receivables for which the term is less than 2 weeks) exceeds the total

amount of cash, securities, or other goods received in deposit from the requesting party, etc. and cash belonging to the account of the requesting party, etc. (excluding cash equivalent to profit for transactions on the account of the requesting party, etc. the settlement of which has not been completed) for commodity derivatives transactions, the amount of the excess;

- (b) short-term loans to affiliated companies (excluding consolidated companies) (excluding loans of call money to financial institutions (banks, cooperative structured financial institutions (meaning cooperative structured financial institutions as defined in Article 2, paragraph (1) of the Act on Preferred Equity Investment by Cooperative Structured Financial Institution (Act No. 44 of 1993), or financial institutions stated in the items of Article 1-9 of the Order for Enforcement of the Financial Instruments and Exchange Act; the same applies below in this (b) part), trust companies, or financial instruments business operators) and loans related to purchases of bills of exchange issued by financial institutions or financial instruments business operators in Japan);
- (c) advance payments;
- (d) prepaid expenses;
- (ii) general loan-loss reserves;
- (iii) the following fixed assets:
  - (a) intangible fixed assets;
  - (b) long-term accounts receivable;
  - (c) long-term loans;
  - (d) long-term prepaid expenses;
  - (e) deferred tax assets;
- (iv) deferred assets;
- (v) among the securities held (including securities held as trust property), the following securities (excluding securities listed on financial instruments exchanges or listed by foreign financial instruments exchange market establishers, and securities and Japanese government bonds registered in the register of over-the-counter traded securities referred to in Article 67-11, paragraph (1) of the Financial Instruments and Exchange Act (including similar registers kept in foreign countries):
  - (a) securities issued by affiliated companies (excluding those related to short-term corporate bonds prescribed in Article 66, item (i) of the Act on Book-Entry Transfer of Corporate Bonds and Shares (Act No. 75 of 2001), short-term bonds prescribed in Article 61-10, paragraph (1) of the Insurance Business Act, and specified short-term bonds prescribed in Article 2, paragraph (8) of the Asset Securitization Act, as well as commercial paper (securities stated in Article 2, paragraph (1), item (xv) of the Financial

- Instruments and Exchange Act and securities stated in item (xvii) of that paragraph having the same character as the securities stated in item (xv) of that paragraph; the same applies in (b)), securities obtained through assumption with a holding period not exceeding 6 months, and those clearly not deliberately held for the purpose of providing funds to affiliated companies, notwithstanding the status of purchase or sale);
- (b) commercial paper or corporate bonds issued by another company or third parties (limited to cases in which a commodity derivatives business operator has accepted a capital procurement means from the other company, and the commodity derivatives business operator deliberately holds the commercial paper or corporate bonds);
  - (c) securities or corporate bond certificates with share options stated in Article 2, paragraph (1), items (vi) through (viii) of the Financial Instruments and Exchange Act, or securities stated in item (xvii) of that paragraph having the same character as those securities (excluding securities listed on financial instruments exchanges or by foreign financial instruments exchange market establishers, securities and Japanese government bonds registered in the register of over-the-counter traded securities referred to in Article 67-11, paragraph (1) of the Financial Instruments and Exchange Act (including similar registers kept in foreign countries), and securities obtained through assumption with a holding period not exceeding 6 months).
  - (vi) assets supplied as collateral for a third party (excluding those stated in the preceding items);
  - (vii) liability reserves for commodity trading;
  - (viii) when there are allowances or reserves which are characterized as retained earnings among allowances or reserves obligated by the provisions of laws or regulations to be recorded in the liabilities section in relation to other businesses being operated, the allowances or reserves;
  - (ix) short-term subordinated debts (including those equivalent to the total amount exceeding an amount equivalent to 50 percent of the total of, among the long-term subordinated debts (limited to those having all of the characteristics stated in the items of paragraph (5)), capital, deposits for subscription for new shares, capital surplus, retained earnings (excluding the amount of scheduled disbursement (meaning planned amount of dividends and officer bonuses)), other securities variation difference (meaning the valuation difference when the valuation difference of other securities recorded in the net assets section of the balance sheet is negative (meaning other securities prescribed in Article 8, paragraph (22) of the Regulation for Financial Statements; the same applies in the following paragraph)) and its own shares, and the cumulative amount of the depreciated items prescribed

- in the following item);
- (x) long-term subordinated debts (for those with a remaining period of no more than 5 years, limited to debts for which an amount equivalent to 20 percent of the amount at the time the remaining period became 5 years is cumulatively depreciated every year).
- (2) In the case referred to in the preceding paragraph (limited to cases in which the provisions of Article 99, paragraph (7) of the Act are applied *mutatis mutandis* pursuant to Article 211, paragraph (4) of the Act), the total amount of the amounts stated in item (ii) and items (vii) through (x) of the preceding paragraph (for debts stated in item (ix) of the same paragraph, up to a limit of an amount equivalent to 200 percent of an amount obtained by deducting the amount of deducted assets (meaning the total amount of the amounts stated in item (i) and items (iii) through (vi) of that paragraph) from the amount of basic items, and for debts stated in item (x) of that paragraph, up to an amount equivalent to 50 percent of the amount of the basic items), other securities valuation difference (meaning the valuation difference when the other securities valuation difference recorded in the net assets section of the balance sheet is a positive number), and the amount of those recorded in the net assets section of the balance sheet other than other basic items (referred to as "amount of supplemental items" in Article 100-2, paragraph (2)) may not exceed the amount of the basic items.
- (3) The amount of the assets and liabilities referred to in paragraph (1) must be based on the value assessed according to generally accepted corporate accounting standards on the day when the amount of the net assets is calculated.
- (4) The short-term subordinated debts prescribed in paragraph (1), item (ix) are subordinated borrowings (meaning debts incurred by loan agreements with a special clause of subordinated contents for the payment of the interest and principal; the same applies below) or subordinated bonds (meaning bonds with a special clause of subordinated contents for the payment of the interest and principal; the same applies below) which have all the following characteristics:
- (i) collateral is not offered;
  - (ii) the loan period or redemption period at the time of entering into the contract or issuing the debt is between two years or longer and five years or shorter;
  - (iii) when there is a special clause for payment before maturity or redemption before maturity (referred to below as the "payment before maturity, etc." in this Article), the payment before maturity, etc. may be made only when the payment before maturity, etc. is at the discretion of a commodity derivatives business operator who is a debtor, and the commodity derivatives business operator has obtained approval to make the payment before maturity, etc.

- from the competent minister; and
- (iv) there is a special clause to the effect that the payment of the interest and principal is not to be made when a commodity derivatives business operator violates the provisions of Article 211, paragraph (2) of the Act by paying the interest and principal.
- (5) The long-term subordinated debts prescribed in paragraph (1), items (ix) and (x) are subordinated borrowings or subordinated bonds which have all the following characteristics:
- (i) collateral is not offered;
  - (ii) the loan period or redemption period at the time of entering into the contract or issuing the debt is longer than five years;
  - (iii) when there is a special clause for payment before maturity, etc., the payment before maturity, etc. may be made only at the discretion of a commodity derivatives business operator who is a debtor, and the commodity derivatives business operator has obtained approval to make the payment before maturity, etc. from the competent minister; and
  - (iv) there is a special clause to the effect that the payment of the interest is not to be made when a commodity derivatives business operator violates the provisions of Article 211, paragraph (2) of the Act by paying the interest.
- (6) With regard to short-term subordinated debts prescribed in paragraph (4) or long-term subordinated debts prescribed in the preceding paragraph, when stated in the following items, the amount specified in each item must be deducted from the amount of the short-term subordinated debts or the long-term subordinated debts:
- (i) when subordinated borrowings have been borrowed from subsidiary companies (meaning subsidiary companies prescribed in Article 8, paragraph (3) of the Regulation for Financial Statements) (excluding specified purpose companies presumed not to fall under subsidiary companies pursuant to the provisions of paragraph (7) of that Article) or affiliated companies: the amount of the subordinated borrowings;
  - (ii) when the holder of subordinated bonds (including a person holding subordinated bonds by means of trust property; the same applies in the following item) is the relevant person, subsidiary companies, or affiliated companies: the amount of the subordinated bonds; or
  - (iii) when funds are deliberately provided to a lender of subordinated borrowings or a holder of subordinated bonds: the amount of the funds (when the amount of the funds exceeds the sum of subordinated borrowings and subordinated bonds, the sum).
- (7) A commodity derivatives business operator that seeks to obtain the approval referred to in paragraph (4), item (iii) or paragraph (5), item (iii) must submit a written application for approval stating the following information to the

competent minister with a copy of a contract or a document equivalent to the contract attached:

- (i) their trade name;
  - (ii) the date of receiving the license or the date of the renewal of the license;
  - (iii) the amount of the payment before maturity, etc. (when the amount is denominated in a foreign currency, the amount of the payment before maturity, etc. and the amount converted into yen);
  - (iv) the amount of the current short-term subordinated debts or long-term subordinated debts and that of the short-term subordinated debts or long-term subordinated debts after making the payment before maturity, etc. (when the amount is denominated in a foreign currency, the amount of the short-term subordinated debts or long-term subordinated debts and the amount converted into yen);
  - (v) the reasons for making the payment before maturity, etc.;
  - (vi) the scheduled date of the payment before maturity, etc.;
  - (vii) the method of financing and other concrete measures for maintaining the sufficient net assets regulation ratio (meaning the net assets regulation ratio prescribed in Article 211, paragraph (1) of the Act; the same applies below); and
  - (viii) the estimated net assets regulation ratio after making the payment before maturity, etc.
- (8) When seeking to grant the approval under paragraph (4), item (iii) or paragraph (5), item (iii), the competent minister must confirm in advance that the short-term subordinated debts or long-term subordinated debts have not improved the net assets regulation ratio temporarily and deliberately, and examine whether the short-term subordinated debts or the long-term subordinated debts meet any of the following criteria:
- (i) it is expected that the commodity derivatives business operator is able to maintain a sufficient net assets regulation ratio after making the payment before maturity, etc.;
  - (ii) funds larger than the amount of the payment before maturity, etc. are to be raised.
- (9) Among the advance payments stated in paragraph (1), item (i), (c), the amount of advance payments of consumption tax related to purchases, the amount of which is less than the amount of consumption tax related to sales recorded as other payables, may be deducted from the amount of the advance payment.
- (10) The amounts prescribed in the following items may be deducted from that amount:
- (i) short-term loans prescribed in paragraph (1), item (i), (b): collateral money deposited by the recipient of the short-term loan and other asset appraisal

- values;
- (ii) securities issued by an affiliated company prescribed in paragraph (1), item (v), (a): collateral money assigned as collateral for the securities and other asset appraisal values;
  - (iii) assets provided as collateral for third parties prescribed in paragraph (1), item (vi): collateral money deposited by the third party and other asset appraisal values.
- (11) The term "related company" as used in paragraph (1), item (i), (b) and item (v), (a) means the following entities:
- (i) the parent company of a commodity derivatives business operator;
  - (ii) a subsidiary company of a commodity derivatives business operator;
  - (iii) an affiliated company of a commodity derivatives business operator;
  - (iv) a subsidiary company of the parent company of a commodity derivatives business operator (meaning an entity considered to be a subsidiary company of the parent company pursuant to the provisions of Article 8, paragraphs (3) and (7) of the Regulation for Financial Statements (excluding the commodity derivatives business operator and the entities stated in the preceding three items)); or
  - (v) an affiliated company of the parent company of a commodity derivatives business operator (meaning an entity considered to be a subsidiary company of the parent company pursuant to provisions of Article 8, paragraph (5) of the Regulation for Financial Statements (excluding the entities stated in item (iii))).
- (12) The term "consolidated company" as used in paragraph (1), item (i), (b) and item (v), (a) means the following entities:
- (i) a consolidated subsidiary company of the commodity derivatives business operator (limited to a consolidated subsidiary company (meaning a consolidated subsidiary company prescribed in Article 2, item (iv) of the Regulation on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements (Order No. 28 of the Ministry of Finance of 1976) or an equivalent entity in foreign countries; the same applies in the following item) of companies filing consolidated financial statements (meaning a company filing consolidated financial statements prescribed in item (i) of that Article or equivalent entities in foreign countries; the same applies in the following item)); or
  - (ii) a company filing consolidated financial statements that has a commodity derivatives business operator as a consolidated subsidiary company and its consolidated subsidiary company (excluding the commodity derivatives business operator and the entities stated in the preceding item).
- (13) Beyond what is provided for in the preceding paragraphs, necessary matters for calculating the net asset amounts are specified by the competent minister.



(Allocation Prices of Securities and Warehouse Receipts)

Article 39 (1) The allocation price of the securities and warehouse receipts referred to in Article 101, paragraph (3) or Article 103, paragraph (5) of the Act (including as applied mutatis mutandis pursuant to Article 179, paragraph (6) of the Act) must not exceed the amount prescribed in the following items in accordance with the category stated in each of those items:

- (i) national government bond certificates, local government bond certificates, bond certificates issued by a corporation pursuant to special laws, investment securities issued by the Bank of Japan, corporate bond certificates, or beneficiary certificates: the maximum limit a commodity exchange specifies in its rules (when Article 103, paragraph (5) of the Act is applied mutatis mutandis pursuant to Article 179, paragraph (6) of the Act, a commodity clearing organization; the same applies below in this paragraph) within the limit of 99 percent of the market value;
- (ii) share certificates: the maximum limit a commodity exchange specifies in its rules within 70 percent of the market value;
- (iii) warehouse receipts: the maximum limit a commodity exchange specifies in its rules within 70 percent of the market value of the listed commodities whose retention is proved by the warehouse receipts.

(2) After a commodity exchange (when Article 103, paragraph (5) of the Act is applied mutatis mutandis pursuant to Article 179, paragraph (6) of the Act, a commodity clearing organization) has specified the maximum limit of the allocation price for national government bond certificates, local government bond certificates, bond certificates issued by a corporation pursuant to special laws, investment securities issued by the Bank of Japan, shares, corporate bond certificates, beneficiary certificates, or warehouse receipts, pursuant to the provisions of the preceding paragraph, if the market value becomes lower than the maximum limit, a commodity exchange (when Article 103, paragraph (5) of the Act is applied mutatis mutandis pursuant to Article 179, paragraph (6) of the Act, a commodity clearing organization) must change the maximum limit pursuant to the provisions of the preceding paragraph without delay.

(Methods of Depositing Clearing Margins)

Article 40 (1) When a commodity exchange receives the deposit of clearing margins from a broker (meaning a broker prescribed in Article 103, paragraph (1), item (ii) of the Act; (the same applies below in this Article through Article 43), a requesting party (meaning a requesting party prescribed in that item; the same applies below in this Article through Article 43), or a brokerage requesting party (meaning a brokerage requesting party prescribed in item (iv) of that paragraph; the same applies below in this Article through Article 43),

pursuant to the provisions of Article 103, paragraph (1) of the Act, the commodity exchange must receive the deposit of the clearing margins through an agent specified in the following items in accordance with the category of cases stated in each of those items:

- (i) when prescribed in Article 103, paragraph (1), item (ii) or (iii) of the Act: a member, etc. who has received a request of the transaction;
  - (ii) when prescribed in Article 103, paragraph (1), item (iv) of the Act: a broker related to the transaction and a member, etc. who has received a request of the transaction.
- (2) When a commodity exchange receives the deposit of clearing margins from a member, etc. or a broker pursuant to the provisions of Article 103, paragraph (1) of the Act (excluding when a member, etc. conducts transactions in a commodity market on their own account), the commodity exchange must consider that the person specified in the following items in accordance with the category of cases stated in each of those items has the right to claim the return for the clearing margin (limited to the scope of the amount of the customer margin or brokerage margin which the person specified in the items has deposited):
- (i) when a member, etc. has received the deposit of customer margins from a requesting party and deposited the clearing margins with a commodity exchange: the requesting party;
  - (ii) when a member, etc. has received the deposit of customer margin from a broker (limited to the person that has received the deposit of clearing margin from a brokerage requesting party) or a brokerage requesting party and deposited a clearing margin with a commodity exchange: the brokerage requesting party;
  - (iii) when a broker has received the deposit of a brokerage margin from a brokerage requesting party and deposited a clearing margin with a commodity exchange: the brokerage requesting party.

(Consent of Requesting Parties Related to the Deposit of Customer Margins)

Article 41 (1) When a member, etc. has a requesting party, a broker, or a brokerage requesting party (referred to below as a "requesting party, etc." in this Article) deposit a customer margin pursuant to the provisions of Article 103, paragraph (2) of the Act, the member, etc. must obtain a written consent from the requesting party, etc. to the effect that the customer margin will be deposited with them.

- (2) When a member, etc. has a brokerage requesting party deposit a customer margin pursuant to the provisions of Article 103, paragraph (2) of the Act, the member, etc. must receive the deposit of the customer margin through the broker, as an agent, who has accepted the brokerage of the consignment of

- transactions in a commodity market from the brokerage requesting party.
- (3) A member, etc. may, in place of the written consent of a requesting party, etc. pursuant to the provisions of paragraph (1), obtain the consent of the requesting party, etc. by a means using an electronic data processing system or a means using other information communications technology which is stated as follows (referred to below as an "electronic or magnetic means" in this Article) by obtaining an approval of the requesting party, etc., pursuant to the provisions of paragraph (6). In this case, the member, etc. is deemed to have obtained the written consent of the requesting party, etc.:
- (i) among the means of using an electronic data processing system, the means stated in (a) or (b);
    - (a) a means of transmitting information through a telecommunications line that connects a computer used by a member, etc. and a computer used by a requesting party, etc. and recording the information in a file on a computer used by the receiver; or
    - (b) a means of providing information concerning the consent of the requesting party, etc. recorded in a file on a computer used by a member, etc. for the inspection of a requesting party, etc. through a telecommunications line, and recording information concerning the consent of the requesting party, etc. in a file on a computer used by the member, etc.; or
  - (ii) a means of obtaining the information concerning the consent of a requesting party, etc. recorded in a file prepared in the form of a magnetic disk or an equivalent means that can record certain information securely.
- (4) The means stated in the preceding items must be those that enable a requesting party, etc. to prepare a document by outputting the record in a file.
- (5) The term "electronic data processing system" as used in paragraph (3) means an electronic data processing system that connects a computer used by a member, etc. and a computer used by a requesting party, etc. through a telecommunications line.
- (6) When a member seeks to obtain consent from a requesting party, etc. pursuant to the provisions of paragraph (3), the member must indicate to the requesting party, etc. the type and content of the following electronic or magnetic means which they seek to use and obtain consent in writing or by an electronic or magnetic means, in advance:
- (i) among the means stated in each of the items of paragraph (3), the means a member, etc. is to use;
  - (ii) a means of recording the information in a file.
- (7) A member, etc. who has obtained consent pursuant to the provisions of the preceding paragraph must not obtain the consent by an electronic or magnetic means when the requesting party, etc. has stated in writing or by an electronic

or magnetic means that they will not give consent by an electronic or magnetic means; provided, however, that this does not apply when the requesting party, etc. has given their consent referred to in that paragraph at another time.

(Consent of Brokerage Requesting Parties Concerning the Deposit of Brokerage Margins)

- Article 42 (1) When a broker has a brokerage requesting party deposit a brokerage margin pursuant to the provisions of Article 103, paragraph (3) of the Act, the broker must obtain written consent from the p brokerage requesting party that the brokerage margin would be deposited with them.
- (2) The provisions of paragraphs (3) through (7) of the preceding Article apply mutatis mutandis to the written consent of a brokerage requesting party under the provisions of the preceding paragraph.

(Separate Management of Clearing Margins at Commodity Exchanges)

Article 43 (1) When a commodity exchange manages a clearing margin based on the provisions of Article 103, paragraph (4) of the Act, it must manage the clearing margin separately from its own property and property other than the clearing margin for each category stated in the following items and for each member:

- (i) among the cases stated in Article 103, paragraph (1), item (i) of the Act, when a member conducts transactions in a commodity market on their own account, the clearing margin deposited by the member based on the provisions of that paragraph;
  - (ii) among the cases stated in Article 103, paragraph (1), item (i) of the Act, when a member conducts transactions in a commodity market in which they have accepted consignment by receiving the deposit of a customer margin based on the provisions of paragraph (2) of that Article, the clearing margin deposited by the member based on the provisions of paragraph (1) of that Article;
  - (iii) when stated in Article 103, paragraph (1), item (ii) or (iv) of the Act, the clearing margin deposited by a requesting party or a brokerage requesting party based on the provisions of that paragraph;
  - (iv) when stated in Article 103, paragraph (1), item (iii) of the Act, the clearing margin deposited by a broker based on the provisions of that paragraph.
- (2) When a commodity exchange manages a clearing margin based on the provisions of Article 103, paragraph (4) of the Act, it must manage the clearing margin by the following methods, excluding those managed based on the provisions of the following paragraph:
- (i) by depositing money in a bank account (limited to deposit accounts that are clearly identifiable as clearing margins by the account name);

- (ii) by using money trust (limited to money trust with a contractual agreement for compensation of the principal pursuant to the provisions of Article 6 of the Act on Engagement in Trust Business by Financial Institutions (Act No. 43 of 1943), and which are clearly identifiable as clearing margins by the account name) of financial institutions engaged in trust business (meaning financial institutions that have obtained the approval stated in Article 1, paragraph (1) of that Act; the same applies below);
  - (iii) by holding Japanese government bonds, local government bonds, or government guaranteed bonds (meaning bonds for which the national government guarantees redemption of principal and interest payments; the same applies in Article 74, paragraph (2), item (iii)).
- (3) When a commodity exchange manages securities, etc. for allocation (meaning securities and warehouse receipts allocated for clearing margins pursuant to the provisions of Article 103, paragraph (5) of the Act (referred below to as "securities, etc." in this Article); the same applies below in this Article) based on the provisions of paragraph (4) of that Article, the commodity exchange must manage the securities, etc. for allocation by the methods specified in the following items in accordance with the category of securities, etc. stated in each of those items:
- (i) securities, etc. managed by a commodity exchange by retaining them (excluding securities, etc. which are commingled and retained; the same applies in the following item): a management method by which the location of the retention of securities, etc. for allocation is clearly separate from that for the securities of the commodity exchange's own property and securities other than the securities, etc. for allocation (referred to below as the "proprietary securities" in this Article), and the securities, etc. for allocation are retained in a condition that is immediately distinguishable as to which member, etc. has deposited the property or through which member, etc. the property has been deposited;
  - (ii) securities managed by a commodity exchange by having a third party retain them: a management method by which the commodity exchange uses a third party to control the location of the retention of securities, etc. for allocation by clearly separating them from that for the proprietary securities, etc. and to retain the securities, etc. for allocation in a condition that is immediately distinguishable as to which member, etc. has deposited the property or through which member, etc. the property has been deposited;
  - (iii) securities managed by a commodity exchange by retaining them (limited to the securities which are commingled and retained; the same applies in the following item): a management method by which the location of the retention of securities, etc. for allocation is clearly separate from that for the proprietary securities, and the securities, etc. for allocation are retained in a

condition that the equity interests for the securities, etc. for allocation deposited by or through each member, etc. are immediately distinguishable from their own books;

- (iv) securities managed by a commodity exchange by having a third party retain them: a management method by which the commodity exchange has a third party retain the securities in a condition in which the equity interests for the securities, etc. for allocation are immediately distinguishable by the method of separating the account for the person depositing the securities, etc. for allocation from the commodity exchange's own account, and by the method in which the equity interests for the securities, etc. for allocation deposited by or deposited through each member, etc. are immediately distinguishable from their own books.

(Contracts in Place of the Deposit of Clearing Margin Referred to in Article 103, Paragraph (7) of the Act)

Article 44 (1) The financial institutions specified by order of the competent ministry as referred to in Article 103, paragraph (7) of the Act (referred to below as a "bank, etc." in this Article and Article 45-2, paragraph (1)) are as follows:

- (i) a bank;
  - (ii) the Shoko Chukin Bank, Ltd.;
  - (iii) a credit cooperative;
  - (iv) a Shinkin Bank;
  - (v) the Norinchukin Bank;
  - (vi) an agricultural cooperative or a federation of agricultural cooperatives which can accept deposits or savings in the course of trade;
  - (vii) a trust company (limited to an entity that is approved by the Prime Minister for conducting business concerning the guarantee of obligations based on the provisions of Article 21, paragraph (2) of the Trust Business Act); and
  - (viii) an insurance company.
- (2) When a member, etc. or broker (meaning a member, etc. or broker prescribed in Article 103, paragraph (7) of the Act; the same applies in this Article below) seeks to enter into a contract referred to in that paragraph with a bank, etc., the member, etc. or broker must ensure that the content of the contract meets the following requirements:
- (i) when receiving an instruction from a commodity exchange pursuant to the provisions of Article 103, paragraph (10), the amount of the clearing margin related to the instruction will be deposited with the commodity exchange for the member, etc. or broker, without delay;
  - (ii) it is prohibited to offset debts of a bank, etc. based on the contract against

- the claims for the member, etc. or the broker;
  - (iii) the contract is valid for the period of three months or longer;
  - (iv) a member, etc. or broker may not cancel the contract or change the content of the contract, except when the member, etc. or broker has received approval from the competent minister and a commodity exchange (limited to a commodity exchange which received a notification pursuant to the provisions of Article 103, paragraph (7) of the Act; the same applies below in this Article) in advance;
  - (v) a member, etc. or broker must notify the termination of the contract to a commodity exchange by one month before the day of termination.
- (3) When a member, etc. or broker seeks to receive approval related to the conclusion of a contract (including a change to a contract) referred to in Article 103, paragraph (7) of the Act, the member, etc. or broker must submit a written application for approval to the competent minister that states the following information:
- (i) the trade name or name of the bank, etc. which is the counterpart to the contract to be entered into;
  - (ii) the content of the contract;
  - (iii) in cases when collateral is offered for the contract, information concerning the collateral;
  - (iv) the name or trade name of the commodity exchange to which the member, etc. or broker seeks to give notification.
- (4) When the competent minister finds that the application for approval referred to in the preceding paragraph meets the following requirements, the minister must grant the approval referred to in that paragraph:
- (i) the content of the contract related to the application meets the requirements stated in each item of paragraph (2);
  - (ii) the bank, etc. which is the counterpart to the contract has the funds and credit necessary to perform the contract;
  - (iii) in light of the status of the business or property of the applicant for approval, it is found that the conclusion of the contract does not cause any problem for the protection of the requesting party.
- (5) When a member, etc. or broker has entered into a contract referred to in Article 103, paragraph (7) of the Act (including when a change has been made to the contract), the member, etc. or broker must submit a copy of the contract to the competent minister and the commodity exchange.
- (6) When a member, etc. or broker has canceled a contract referred to in Article 103, paragraph (7) of the Act, the member, etc. or broker must submit a document stating that fact to the competent minister and the commodity exchange.

(Application, Mutatis Mutandis of the Provisions of Contract in Place of the Deposit of Clearing Margin Referred to in Article 103, Paragraph (7) of the Act Related to a Commodity Clearing Organization)

Article 45 The provisions of the preceding Article apply mutatis mutandis to cases in which the provisions of Article 103, paragraph (7) of the Act are applied mutatis mutandis pursuant to Article 179, paragraph (7) of the Act. In this case, the term "Article 103, paragraph (10)" in paragraph (2), item (i) of the preceding Article is deemed to be replaced with "Article 103, paragraph (10) of the Act as applied mutatis mutandis pursuant to Article 179, paragraph (7)," the terms "a member, etc. or broker" and "a commodity exchange" in that paragraph and paragraphs (3), (5), and (6) of that Article are deemed to be replaced with "a member, etc. or a broker, etc." and "a commodity clearing organization", respectively.

(Contract in Place of the Deposit of Clearing Margin Referred to in Article 103, Paragraph (8) of the Act)

Article 45-2 (1) When a member, etc., or a requesting party or a brokerage requesting party of a transaction (meaning a member, etc., a requesting party, or a brokerage requesting party of a transaction, prescribed in Article 103, paragraph (8) of the Act; the same applies below in this Article) seeks to enter into a contract referred to in that paragraph with a bank, etc., the person must ensure that the content of the contract meets the following requirements:

- (i) when receiving an instruction from a commodity exchange pursuant to the provisions of Article 103, paragraph (11) of the Act, the amount of the clearing margin related to the instruction is to be deposited with the commodity exchange for the member, etc., or the requesting party or the brokerage requesting party of a transaction;
- (ii) it is prohibited to offset debts of a bank, etc. based on the contract against the claims for the member, etc., or the requesting party or the brokerage requesting party of a transaction;
- (iii) the contract is valid for the period of three months or longer;
- (iv) a member, etc., or a requesting party or a brokerage requesting party of the transaction may not cancel the contract or change the contents of the contract, except when they have received approval from a commodity exchange (limited to a commodity exchange which received a notification pursuant to the provisions of Article 103, paragraph (8) of the Act; the same applies in this Article below) in advance;
- (v) a member, etc., or a requesting party or a brokerage requesting party of a transaction is to notify the termination of the contract to a commodity exchange by one month before the day of termination.

(2) When a member, etc., or a requesting party or a brokerage requesting party of



a transaction has entered into a contract referred to in Article 103, paragraph (8) of the Act (including when a change has been made to the contract), the person must submit a copy of the contract to a commodity exchange.

- (3) When a member, etc., or a requesting party or a brokerage requesting party of a transaction has canceled a contract stated in Article 103, paragraph (8) of the Act, the person must submit a document proving that fact to a commodity exchange.

(Application, Mutatis Mutandis of the Provisions of Contract in Place of the Deposit of Clearing Margin Referred to in Article 103, Paragraph (8) of the Act Related to Commodity Clearing Organizations)

Article 45-3 The provisions of the preceding Article apply mutatis mutandis to cases in which the provisions of Article 103, paragraph (8) of the Act are applied mutatis mutandis pursuant to Article 179, paragraph (8) of the Act. In that case, the phrase "a member, etc., a requesting party of a transaction, or a brokerage requesting party" in the preceding Article is deemed to be replaced with "member, etc., a requesting party of a transaction, a brokerage requesting party, a clearing brokerage requesting party, or a requesting party of the clearing broker", the term "Article 103, paragraph (11)" in paragraph (1), item (i) of that Article is deemed to be replaced with "Article 103, paragraph (11) of the Act as applied mutatis mutandis pursuant to Article 179, paragraph (8)," and the term "a commodity exchange" in that item, items (iv) and (v) of that paragraph, and paragraphs (2) and (3) of that Article is deemed to be replaced with "a commodity clearing organization".

(Investment Method of Guarantee Funds)

Article 46 The means specified by order of the competent ministry as referred to in Article 110 of the Act (including as applied mutatis mutandis pursuant to Article 180, paragraph (5) of the Act following the deemed replacement of terms) are as follows:

- (i) holding municipal bonds;
- (ii) money deposited to the following financial institutions:
  - (a) a bank;
  - (b) the Shoko Chukin Bank, Ltd.;
  - (c) a credit cooperative;
  - (d) a Shinkin Bank;
  - (e) the Norinchukin Bank;
  - (f) an agricultural cooperative or a federation of agricultural cooperatives which can accept deposits or savings in the course of trade;
- (iii) trust funds with financial institutions engaged in trust business.

(Notification of the Total Transaction Volume)

Article 47 (1) When a commodity exchange seeks to give a notification and make an announcement pursuant to the provisions of Article 111 of the Act, it must give a notification and make an announcement to its members, etc. by the means specified in its operational rules, for each type of transaction in a commodity market, and each type of listed commodities or listed commodity indices.

(2) What is specified by order of the competent ministry stated in Article 111, item (ii) of the Act for a commodity market where transactions are conducted by the auction method with a single amount of the consideration or contract price, etc. (meaning the contract price, etc. prescribed in Article 111, item (ii) of the Act; the same applies below) for which transactions were closed or the contract price, etc. each day in the commodity market and for a commodity market where transactions are conducted by the auction method with an individually determined amount of the consideration or contract price, etc., is to be the first amount of the consideration or the contract price, etc., the highest amount of the consideration or contract price, etc., the lowest amount of the consideration or contract price, etc., and the final amount of the consideration or contract price, etc. each day in the commodity market.

(Reporting of Quotation and Transaction Volume)

Article 48 (1) When a commodity exchange seeks to report the information stated in the items of Article 112 of the Act pursuant to the provisions of that Article, it must submit a report in accordance with the Appended Table 1 or Appended Table 1-2 to the competent minister, without delay.

(2) The information specified by order of the competent ministry as referred to in Article 112, item (i) of the Act is the information stated in column 3 of the Appended Table 1.

(3) The quantity specified by order of the competent ministry as referred to in Article 112, item (ii) of the Act is the quantity stated in column 3 of the Appended Table 2 corresponding to the commodity markets stated in column 2 of that Table which are opened by commodity exchanges stated in column 1 of that Table, for each commodity market, and by purchase or sale.

(4) The requirements specified by order of the competent ministry as referred to in Article 112, item (ii) of the Act are, that the transactions in the commodity market fall under one of the following items:

(i) the quantity of the transactions related to the time limit of one transaction of one member, etc. in a commodity market on their own account and for which settlement is not completed exceeds the quantity stated in column 5 of the Appended Table 2 by purchase or sale and for each type of component products of listed commodities or listed commodity indices stated in column 4

- of that Table which are subject to transactions in the commodity markets stated in column 2 of that Table opened by the commodity exchanges stated in column 1 of that Table;
- (ii) the quantity of the transactions related to the time limit of one transaction in a commodity market on a requesting party's own account and for which settlement is not completed exceeds the quantity stated in column 5 of the Appended Table 2 by purchase or sale and for each type of component products of listed commodities or listed commodity indices stated in column 4 of that Table which are subject to transactions in the commodity markets stated in column 2 of that Table opened by commodity exchanges stated in column 1 of that Table.
- (5) The information specified by order of the competent ministry as referred to in Article 112, item (ii) of the Act is the information stated in column 2 of the Appended Table 1-2.

#### Article 49 Deleted

##### (Separate Accounting in Books)

- Article 50 (1) Pursuant to the provisions of Article 115 of the Act, a member, etc. must perform separate accounting for transactions in a commodity market and other transactions in books.
- (2) A member, etc. must prepare books and other business-related documents specified in the Appended Table 3 for transactions in each commodity market separately.
- (3) The preservation period of books and other business-related documents referred to in the preceding paragraph is 10 years.

##### (Preservation by an Electronic or Magnetic Means)

Article 51 When the content of books and other business-related documents referred to in paragraph (2) of the preceding Article is recorded by an electronic or magnetic means (meaning a means such as an electronic means or a magnetic means that cannot be perceived by human senses; the same applies in Article 114), and the record is preserved in a manner that enables the record to be immediately displayed using a computer or other devices as necessary, the preservation of the record may substitute for the preservation of books and other business-related documents prescribed in paragraph (3) of the preceding Article. In this case, a member, etc. must take the necessary measures for preventing the loss of and damage to the record.

##### (Restrictions on Transactions in Commodity Markets)

Article 51-2 The matters specified by order of the competent ministry as

prescribed in Article 118, item (ii) of the Act are as follows:

- (i) taking measures to restrict transactions or acceptance of their request in a commodity market which has been opened by a commodity exchange stated in Article 118, item (ii) of the Act; and
- (ii) taking measures to change the time period during which a member, etc. can conduct a transaction in a commodity market which has been opened by the commodity exchange.

(Submission of Reports of Intermediation Arrangement)

Article 52 When a commodity exchange has carried out intermediation pursuant to the provisions of Article 120, paragraph (1) of the Act, it must prepare a report of the progress of the intermediation arrangement as of the end of every month and submit the report to the competent minister by 10th of the month following the month relating to the report.

Article 53 Deleted

(Information to Be Disclosed in Advance by Member Commodity Exchanges Implementing Entity Conversion)

Article 54 The information specified by order of the competent ministry as prescribed in Article 123, paragraph (1) of the Act is as follows:

- (i) the content of an entity conversion plan;
- (ii) the information concerning prospects of the performance of the obligations of an incorporated commodity exchange after entity conversion (meaning an incorporated commodity exchange after entity conversion prescribed in Article 122, paragraph (3) of the Act; the same applies below);
- (iii) if there is any change to the information stated in the preceding two items after the document or electronic or magnetic record referred to in Article 123, paragraph (1) of the Act has been kept at the principal office pursuant to the provisions of the same paragraph, the changed information.

(Information to Be Disclosed After the Fact by Incorporated Commodity Exchanges After Entity Conversion)

Article 55 The information specified by order of the competent ministry as prescribed in Article 125, paragraph (1) of the Act is as follows:

- (i) the day on which entity conversion has become effective;
- (ii) the progress of procedures under the provisions of Article 124 of the Act taken by the member commodity exchange implementing entity conversion;
- (iii) the information concerning important rights and obligations which the incorporated commodity exchange after entity conversion succeeded to from the member commodity exchange implementing restructuring through entity

- conversion;
- (iv) the information stated or recorded in a document or electronic or magnetic record which the member commodity exchange implementing entity conversion has kept pursuant to the provisions of Article 123, paragraph (1) of the Act (excluding the content of the entity conversion contract); and
  - (v) the date of the registration referred to in Article 134, paragraph (1) of the Act.

(Consideration of Accounting Practices)

Article 55-2 Regarding the interpretation of the terms stated in the provisions of the following Article through Article 55-5 and the application of those provisions, generally accepted corporate accounting standards and other accounting practices must be taken into consideration.

(Amount Required to Be Recorded as Stated Capital of Incorporated Commodity Exchanges After Entity Conversion)

Article 55-3 The amount required to be recorded as the stated capital of an incorporated commodity exchange after entity conversion specified by order of the competent ministry as prescribed in Article 127 of the Act is the amount of the contribution of a member commodity exchange immediately before the entity conversion.

(Information Necessary for the Calculation upon Entity Conversion)

Article 55-4 The information necessary for the accounting at the time of entity conversion specified by order of the competent ministry as prescribed in Article 128 of the Act is governed by the following Article.

(Shareholders' Equity of Incorporated Commodity Exchanges After Entity Conversion)

- Article 55-5 (1) When a member commodity exchange implements entity conversion, it may not change the book value of its assets and liabilities on the grounds of the entity conversion.
- (2) When a member commodity exchange implements entity conversion, the amount of an incorporated commodity exchange after entity conversion stated in the following items is the amount specified in each of those items:
- (i) the amount of the capital reserve: zero;
  - (ii) the amount of other capital surplus: the sum of the membership fee and capital surplus of the member commodity exchange immediately before the entity conversion;
  - (iii) the amount of the profit reserve: zero;
  - (iv) the amount of other accumulated profits: the amount of the statutory

capital and accumulated profits of the member commodity exchange immediately before the entity conversion.

(Information to Be Notified to Persons Who Seek to File Applications to Subscribe for the Shares Issued upon Entity Conversion)

Article 55-6 The information specified by order of the competent ministry as prescribed in Article 130, paragraph (1), item (iv) of the Act is as follows:

- (i) the total number of shares which an incorporated commodity exchange after entity conversion can issue (when an incorporated commodity exchange after entity conversion is a company issuing class shares, including the total number of each type of class shares that can be issued at the time of entity conversion);
- (ii) when the information stated in each item of Article 107, paragraph (1) of the Companies Act is specified as the content of shares issued upon entity conversion issued by an incorporated commodity exchange after entity conversion (excluding cases when an incorporated commodity exchange after entity conversion is a company issuing class shares), the content of the shares;
- (iii) when it has been decided that an incorporated commodity exchange after entity conversion (limited to cases in which an incorporated commodity exchange after entity conversion is a company issuing class shares) is to issue shares issued upon entity conversion with different contents concerning the information stated in each item of Article 108, paragraph (1) of the Companies Act, the content of each type of shares (when there are the provisions of the articles of incorporation referred to in paragraph (3) of that Article for a certain type of shares, and when the content of the type of shares is not specified by an incorporated commodity exchange after entity conversion pursuant to the articles of incorporation, the outline of the content of that type of shares);
- (iv) when there are provisions of the articles of incorporation concerning the number of share units, the number of share units (when an incorporated commodity exchange after entity conversion is a company issuing class shares, the number of share units of each type of shares);
- (v) when the articles of incorporation of an incorporated commodity exchange after entity conversion have the following provisions, the provisions:
  - (a) the provisions of the articles of incorporation prescribed in Article 139, paragraph (1), Article 140, paragraph (5), or Article 145, item (i) or (ii) of the Companies Act;
  - (b) the provisions of the articles of incorporation prescribed in Article 164, paragraph (1) of the Companies Act;
  - (c) the provisions of the articles of incorporation prescribed in Article 167,

- paragraph (3) of the Companies Act;
- (d) the provisions of the articles of incorporation prescribed in Article 168, paragraph (1), or Article 169, paragraph (2) of the Companies Act;
- (e) the provisions of the articles of incorporation prescribed in Article 174 of the Companies Act;
- (f) the provisions of the articles of incorporation prescribed in Article 347 of the Companies Act;
- (g) the provisions of the articles of incorporation prescribed in Article 26, item (i) or (ii) of the Regulations for Enforcement of the Companies Act;
- (vi) when there are provisions of the articles of incorporation that a shareholder register administrator is to be appointed, the name and the address, and the business office of that person;
- (vii) the information specified in the articles of incorporation (excluding the information stated in Article 203, paragraph (1), items (i) through (iii) of the Companies Act and in the preceding items), notification of which was requested by a person that seeks to file an application to subscribe for the shares issued upon entity conversion to the incorporated commodity exchange after entity conversion

(Electronic or Magnetic Records to Be Provided by Inspectors)

Article 55-7 To be specified by order of the competent ministry as prescribed in Article 207, paragraph (4) of the Companies Act as applied mutatis mutandis pursuant to Article 131-6 of the Act following the deemed replacement of terms are, an electronic or magnetic recording medium (limited to electronic or magnetic records) prescribed in Article 36, paragraph (1) of the Regulation on Commercial Registrations (Ministry of Justice Order No. 23 of 1964) and an electronic or magnetic record specified by a person that is provided the electronic or magnetic record pursuant to the provisions of Article 207, paragraph (4) of the Companies Act.

(Provision of Information Recorded in Electronic or Magnetic Records by Inspectors)

Article 55-8 The means specified by order of the competent ministry as prescribed in Article 207, paragraph (6) of the Companies Act as applied mutatis mutandis pursuant to Article 131-6 of the Act following the deemed replacement of terms are, electronic or magnetic means specified by a person that is provided the information recorded in an electronic or magnetic record stated in that paragraph, pursuant to the provisions of that paragraph.

(Securities That Have the Market Price Not Requiring Investigations by Inspectors)

Article 55-9 The means specified by order of the competent ministry as prescribed in Article 207, paragraph (9), item (iii) of the Companies Act as applied mutatis mutandis pursuant to Article 131-6 of the Act following the deemed replacement of terms are, the means of considering the higher of the amounts stated in the following items to be the price of securities prescribed in that item:

- (i) the final price on the market where the securities are traded on the day when the value referred to in Article 199, paragraph (1), item (iii) of the Companies Act was determined (referred to below as the "date of value determination" in this Article) (when there are no purchase and sale transactions on the date of value determination, or the date of value determination falls on a holiday of the market, the price of the first purchase and sale transaction conducted after that date);
- (ii) when the securities are subject to tender offer, etc. (meaning the tender offer prescribed in Article 27-2, paragraph (6) of the Financial Instruments and Exchange Act (including as applied mutatis mutandis pursuant to Article 27-22-2, paragraph (2) of that Act) and any equivalent system based on laws and regulations in a foreign country; the same applies below in this item and Article 60-3) on the date of value determination, the price of the securities in the contract related to the tender offer, etc. on the date of value determination.

Article 55-10 The persons specified by order of the competent ministry as prescribed in Article 213, paragraph (1), item (ii) of the Companies Act as applied mutatis mutandis pursuant to Article 131-6 of the Act following the deemed replacement of terms are as follows:

- (i) a company director who submitted a proposal concerning the determination of the values of property contributed in kind prescribed in Article 207, paragraph (1) of the Companies Act to a shareholders meeting;
- (ii) a company director who agreed to the decision on the submitted proposal referred to in the preceding item (excluding a company director of a company with a board of directors);
- (iii) when the proposal referred to in item (i) was submitted based on the resolution of a board of directors, a company director who agreed to the resolution of the board of directors.

(President of a Member Commodity Exchange Who is Required to Assume the Liabilities for Falsifying the Performance of Contribution)

Article 55-11 The person specified by order of the competent ministry as prescribed in Article 213-3, paragraph (1) of the Companies Act as applied mutatis mutandis pursuant to Article 131-7 of the Act following the deemed



replacement of terms is the person stated in the following items:

- (i) the president or directors of the member commodity exchange that performed the duties concerning the falsification of the performance of contribution (meaning the performance of contribution prescribed in Article 131-3, paragraph (3) of the Act; the same applies below in this Article);
- (ii) when the performance of contribution was falsified based on a resolution of a general meeting of members, the following persons:
  - (a) the president or directors of the member commodity exchange that submitted a proposal concerning the falsification of the performance of contribution at the general meeting of members;
  - (b) the president or directors of the member commodity exchange that agreed to the decision on the submitted proposal referred to in (a).

(Documents Attached to a Written Application for Authorization of Entity Conversion)

Article 56 The documents specified by order of the competent ministry as referred to in Article 132, paragraph (3) of the Act are as follows (in cases of certifications issued by a public agency, limited to documents prepared within three months before the date of filing the application for authorization):

- (i) a document stating the reasons for and content of entity conversion;
- (ii) a document specified as follows in accordance with the cases stated in each sub-item:
  - (a) when an officer of an incorporated commodity exchange after entity conversion is a foreign national: a copy of the residence certificate, etc. and curriculum vitae of the officer, and a document pledging that the person does not fall under any of the provisions of Article 15, paragraph (2), item (i), sub-items (a) through (k) of the Act;
  - (b) when an officer of an incorporated commodity exchange after entity conversion is a corporation: a certificate of the registered information of the officer, a document stating the history of the corporation, and a document pledging that the officer does not fall under the provisions of Article 15, paragraph (2), item (i), (l) of the Act;
  - (c) when an officer of an incorporated commodity exchange after entity conversion is neither a foreign national nor a corporation: a copy of the residence certificate, etc. and curriculum vitae of the officer, a certificate of a public agency proving that the person does not fall under the provisions of Article 15, paragraph (2), item (i), sub-item (b) of the Act, and a document pledging that the person does not fall under any of the provisions of sub-item (a) or sub-items (c) through (k) of that item;
- (iii) minutes of a general meeting of members which approved the entity conversion plan;

- (iv) settlement related documents, etc. for the immediately preceding business year;
- (v) a document proving the amount of the existing net assets;
- (vi) when issuing shares issued upon entity conversion pursuant to the provisions of Article 129, paragraph (1) of the Act, the following documents:
  - (a) a document proving an application to subscribe for the shares issued upon entity conversion;
  - (b) when making money the object of the contribution, a document proving that payment under the provisions of Article 131-3, paragraph (1) of the Act was made;
  - (c) when making property other than money the object of the contribution, the following documents:
    - 1. when an inspector has been appointed, a document stating the investigation report by the inspector and its annexed documents;
    - 2. when stated in Article 207, paragraph (9), item (iii) of the Companies Act as applied mutatis mutandis pursuant to Article 131-6 of the Act: a document proving the market price of the securities;
    - 3. when stated in Article 207, paragraph (9), item (iv) of the Companies Act as applied mutatis mutandis pursuant to Article 131-6 of the Act, a document stating the certification prescribed in that item and its annexed documents;
    - 4. when stated in Article 207, paragraph (9), item (v) of the Companies Act as applied mutatis mutandis pursuant to Article 131-6 of the Act, accounting books stating the monetary claim referred to in that item;
  - (d) when a judicial decision has been rendered on a report by an inspector, a transcript of the judicial decision;
- (vii) when a public notice or a notification pursuant to the provisions of Article 124, paragraph (2) of the Act has been given and a creditor has made an objection, documents proving that payment has been made or a reasonable collateral has been provided to the creditor, or reasonable property has been deposited in trust for the purpose of having the creditor receive the payment, or that the entity conversion is not likely to harm the creditor;
- (viii) a document stating the status of securing employees who have the knowledge and experience relating to the business of a commodity exchange and the status of the assignment of those employees;
- (ix) a document stating the major shareholders' names, addresses or residences, nationalities and occupations (when a shareholder is a corporation or other organization, its trade name or name, the location of its head office or principal office, and the content of its business), and the number of voting rights they hold.

(Submission of a Doctor's Medical Certificate)

Article 56-2 When an application for the authorization under Article 132, paragraph (1) of the Act is filed, and the competent minister finds it necessary for examining whether officers of the incorporated commodity exchange after entity conversion include a person who falls under any of Article 15, paragraph (2), item (i), (a) or (k) of the Act (limited to the part related to (a)), the minister may request the applicant to submit a doctor's medical certificate stating the name of the illness of the person subject to the examination, whether the person has any mental impairment and the level of mental impairment, causes of the illness, post-illness progress, prospects of recovery, and other remarks for reference.

(Contract Details of Absorption-Type Merger Between Member Commodity Exchanges)

Article 56-3 The information specified by order of the competent ministry as referred to in Article 140, item (iii) of the Act are as follows:

- (i) when a member of a member commodity exchange dissolved in an absorption-type merger becomes a member of a member commodity exchange surviving an absorption-type merger in absorption-type merger, the information concerning the number of units of the contribution of the member commodity exchange surviving an absorption-type merger which substitutes for the equity interests allotted to a member of the member commodity exchange dissolved in an absorption-type merger or its calculation method, and the amount of the contribution, membership fee, and loss compensation reserve of the member commodity exchange surviving an absorption-type merger;
- (ii) when a member commodity exchange surviving an absorption-type merger issues money to a member of a member commodity exchange dissolved in an absorption-type merger in place of their equity interests upon an absorption-type merger, the amount of the money or its calculation method;
- (iii) when prescribed in the preceding two items, the information concerning the contribution referred to in item (i) to a member of a member commodity exchange dissolved in an absorption-type merger and the allocation of the money referred to in the preceding item.

(Contract Details of Consolidation-Type Merger Between Member Commodity Exchanges)

Article 57 The information specified by order of the competent ministry as referred to in Article 141, item (v) of the Act is as follows:

- (i) the information concerning the number of units of the contribution of a member commodity exchange established by a consolidation-type merger

which substitutes for the equity interest that the member commodity exchange established by a consolidation-type merger allots to a member of a member commodity exchange dissolved in a consolidation-type merger upon a consolidation-type merger or its calculation method, and the amount of the contribution, membership fee, and loss compensation reserve of the member commodity exchange established by a consolidation-type merger;

- (ii) the information concerning the allocation of the contribution referred to in the preceding item to a member of a member commodity exchange dissolved in a consolidation-type merger;
- (iii) when the amount of the money to be paid to a member of a member commodity exchange dissolved in a consolidation-type merger is determined, the amount of money.

(Information to Be Disclosed in Advance by Member Commodity Exchanges  
Dissolved in Absorption-Type Mergers)

Article 58 The information specified by order of the competent ministry as referred to in Article 144, paragraph (1) of the Act is as follows, in cases when a commodity exchange surviving an absorption-type merger is a member commodity exchange:

- (i) the information concerning the appropriateness of the provisions on information stated in the items of Article 56-3 (when there are no such provisions, that fact);
- (ii) the following information concerning the member commodity exchange surviving an absorption-type merger:
  - (a) an inventory of property and a balance sheet for the final business year (for a member commodity exchange, the latest business year when approval under Article 68 of the Act was received for settlement related documents, etc. prescribed in Article 66, paragraph (1) of the Act for each business year, and for an incorporated commodity exchange, the final business year prescribed in Article 2, item (xxiv) of the Companies Act; the same applies below), and the content of a profit and loss statement prepared together with the balance sheet;
  - (b) when an event that has a significant influence on the status of the property of the member commodity exchange surviving an absorption-type merger, such as the disposition of important property and the sharing of significant obligations has occurred after the last day of the final business year (when the final business year does not exist, the day of the establishment of the member commodity exchange surviving an absorption-type merger), the content of the event (when a new final business year emerges during the period between 10 days before a general meeting of members referred to in Article 144, paragraph (4) of the Act and the day

- when the absorption-type merger becomes effective, limited to the content of an event that occurred after the last day of the new final business year);
- (iii) when an event that has a significant influence on the status of the property of the member commodity exchange dissolved in an absorption-type merger, such as the disposition of important property and the bearing of significant obligations has occurred after the last day of the final business year (when the final business year does not exist, the day of the establishment of the member commodity exchange dissolved in an absorption-type merger) at the member commodity exchange dissolved in an absorption-type merger (excluding a member commodity exchange which is to be liquidated pursuant to the provisions of Article 475 (excluding items (i) and (iii)) of the Companies Act as applied mutatis mutandis pursuant to Article 77, paragraph (1) of the Act) (the member commodity exchange is referred to below as a "liquidating member commodity exchange"), the content of the event (when a new final business year emerges during the period between 10 days before a general meeting of members referred to in Article 144, paragraph (4) of the Act and the day when the absorption-type merger comes into effect, limited to the content of an event that occurred after the last day of the new final business year);
- (iv) the information concerning prospects of the performance of obligations (limited to obligations the member commodity exchange bears against the creditors that may state objections to the absorption-type merger pursuant to the provisions of Article 124, paragraph (1) of the Act as applied mutatis mutandis pursuant to Article 144, paragraph (6) of the Act) of the member commodity exchange surviving an absorption-type merger on and after the day when the absorption-type merger becomes effective;
- (v) if there is any change to the information stated in the preceding items after 10 days before a general meeting of members referred to in Article 144, paragraph (4) of the Act, the changed information.

(Information to Be Disclosed in Advance by Member Commodity Exchanges  
Dissolved in Absorption-Type Mergers)

Article 59 The information specified by order of the competent ministry as referred to in Article 144, paragraph (1) of the Act is as follows in cases when a member commodity exchange dissolved in an absorption-type merger is an incorporated commodity exchange:

- (i) the information concerning the appropriateness of the provisions on information stated in items (ii) and (iii) of Article 142 of the Act (when there are no such provisions, that fact);
- (ii) when all or part of the shares, etc. (meaning shares, etc. prescribed in Article 142, item (ii) of the Act; the same applies below) issued to a member

- of the member commodity exchange dissolved in an absorption-type merger are shares of the incorporated commodity exchange surviving an absorption-type merger, the provisions of the articles of incorporation of the incorporated commodity exchange surviving an absorption-type merger; and
- (iii) the following information concerning the incorporated commodity exchange surviving an absorption-type merger:
- (a) the content of financial statements, etc. for the final business year (when the final business year does not exist, the content of a balance sheet on the day of the establishment of the incorporated commodity exchange surviving an absorption-type merger);
  - (b) when there are provisional financial statements, etc. (meaning provisional financial statements, etc. referred to in Article 2, paragraph (3), item (xiii) of the Regulations for Enforcement of the Companies Act; the same applies below) that consider the day after the last day of the final business year (when the final business year does not exist, the day of the establishment of the incorporated commodity exchange surviving an absorption-type merger; the same applies in (c)) as the provisional account closing day (meaning a provisional account closing day prescribed in Article 441, paragraph (1) of the Companies Act; the same applies below) (if there are two or more provisional account closing days, the last one), the content of the provisional financial statements, etc.; or
  - (c) when an event that has a significant influence on the status of the property of the incorporated commodity exchange surviving an absorption-type merger, such as the disposition of important property and the bearing of significant obligations has occurred after the last day of the final business year, the content of the event (when a new final business year emerges during the period between 10 days before a general meeting of members referred to in Article 144, paragraph (4) of the Act and the day when the absorption-type merger comes into effect, limited to the content of an event that occurred after the last day of the new final business year);
- (iv) when an event that has a significant influence on the status of the property of the member commodity exchange dissolved in an absorption-type merger, such as the disposition of important property and the bearing of significant obligations after the last day of the final business year (when the final business year does not exist, the day of the establishment of the member commodity exchange dissolved in an absorption-type merger) at the member commodity exchange dissolved in an absorption-type merger (excluding liquidating member commodity exchanges), the content of the event (when a new final business year emerges during the period between 10 days before a general meeting of members referred to in Article 144, paragraph (4) of the Act and the day when the absorption-type merger becomes effective, limited

- to the content of an event that occurred after the last day of the new final business year); and
- (v) the information concerning prospects of the performance of obligations (limited to obligations the incorporated commodity exchange bears against the creditors that may state objections to the absorption-type merger pursuant to the provisions of Article 124, paragraph (1) of the Act as applied *mutatis mutandis* pursuant to Article 144, paragraph (6) of the Act) of the incorporated commodity exchange surviving an absorption-type merger on and after the day when the absorption-type merger comes into effect;
  - (vi) if there is any change to the information stated in the preceding items after 10 days before a general meeting of members referred to in Article 144, paragraph (4) of the Act, the changed information.

(Information to Be Disclosed in Advance by Member Commodity Exchanges Surviving Absorption-Type Mergers)

Article 59-2 The information specified by order of the competent ministry as referred to in Article 144-2 paragraph (1) of the Act is as follows:

- (i) the information concerning the appropriateness of the provisions on information stated in each item of Article 56-3 (when there are no such provisions, that fact);
- (ii) the following information concerning the member commodity exchange dissolved in an absorption-type merger (excluding liquidating member commodity exchanges):
  - (a) an inventory of property and a balance sheet for the final business year and the content of a profit and loss statement prepared together with the balance sheet;
  - (b) when an event that has a significant influence on the status of the property of the member commodity exchange dissolved in an absorption-type merger, such as the disposition of important property and the bearing of significant obligations has occurred after the last day of the final business year (when the final business year does not exist, the day of the establishment of the member commodity exchange dissolved in an absorption-type merger; the same applies in item (iv)), the content of the event (when a new final business year emerges during the period between 10 days before a general meeting of members referred to in Article 144-2, paragraph (2) of the Act and the day when the absorption-type merger becomes effective, limited to the content of an event that occurred after the last day of the new final business year);
- (iii) a balance sheet which the member commodity exchange dissolved in an absorption-type merger (limited to a liquidating member commodity exchange) has prepared pursuant to the provisions of Article 492, paragraph

- (1) of the Companies Act as applied mutatis mutandis pursuant to Article 77, paragraph (1) of the Act;
- (iv) when an event that has a significant influence on the status of the property of the member commodity exchange surviving an absorption-type merger, such as the disposition of important property and the bearing of significant obligations has occurred after the last day of the final business year (when the final business year does not exist, the day of the establishment of the member commodity exchange surviving an absorption-type merger) at the member commodity exchange surviving an absorption-type merger, the content of the event (when a new final business year emerges during the period between 10 days before a general meeting of members referred to in Article 144-2, paragraph (2) of the Act and the day when the absorption-type merger becomes effective, limited to the content of an event that occurred after the last day of the new final business year);
- (v) the information concerning prospects of the performance of obligations (limited to obligations which the member commodity exchange bears against the creditors that may state objections to the absorption-type merger pursuant to the provisions of Article 124, paragraph (1) of the Act as applied mutatis mutandis pursuant to Article 144-2, paragraph (4) of the Act) of the member commodity exchange surviving an absorption-type merger on and after the day when the absorption-type merger becomes effective;
- (vi) if there is any change to the information stated in the preceding items during the period between 10 days before a general meeting of members referred to in Article 144-2, paragraph (2) of the Act and the day when the absorption-type merger becomes effective, the changed information.

(Information to Be Disclosed After the Fact by Member Commodity Exchanges Surviving Absorption-Type Mergers)

Article 59-3 The information specified by order of the competent ministry as referred to in Article 144-2, paragraph (5) of the Act is as follows:

- (i) the day on which the absorption-type merger becomes effective;
- (ii) the following matters concerning the member commodity exchange dissolved in an absorption-type merger:
  - (a) the progress of the procedures related to the demand under the provisions of Article 144, paragraph (5) of the Act;
  - (b) the progress of the procedures under the provisions of Article 124 of the Act as applied mutatis mutandis pursuant to Article 144, paragraph (6) of the Act;
- (iii) the following matters concerning the member commodity exchange surviving an absorption-type merger:
  - (a) the progress of the procedures related to the demand under the provisions



- of Article 144-2, paragraph (3) of the Act;
- (b) the progress of the procedures under the provisions of Article 124 of the Act as applied *mutatis mutandis* pursuant to Article 144-2, paragraph (4) of the Act;
- (iv) the information concerning important rights and obligations which the member commodity exchange surviving an absorption-type merger succeeded to from the member commodity exchange dissolved in an absorption-type merger;
- (v) the information stated or recorded in a document or an electronic or magnetic record which the member commodity exchange dissolved in an absorption-type merger has kept pursuant to the provisions of Article 144, paragraph (1) of the Act (excluding the content of the absorption-type merger contract);
- (vi) the date of the registration of the change referred to in Article 147, paragraph (1) of the Act;
- (vii) beyond what is stated in the preceding items, important matters concerning the absorption-type merger.

(Information to Be Disclosed in Advance by Member Commodity Exchanges Dissolved in Consolidation-Type Mergers)

Article 59-4 The information specified by order of the competent ministry referred to in Article 144-3, paragraph (1) of the Act is as follows when a member commodity exchange established by a consolidation-type merger is a member commodity exchange:

- (i) the information concerning the appropriateness of the provisions on information stated in the items of Article 57;
- (ii) the following information concerning another member commodity exchange dissolved in a consolidation-type merger (excluding liquidating member commodity exchanges; the same applies in this item):
  - (a) an inventory of property and a balance sheet for the final business year and the content of a profit and loss statement prepared together with the balance sheet;
  - (b) when an event that has a significant influence on the status of the property of another member commodity exchange dissolved in a consolidation-type merger, such as the disposition of important property and the bearing of significant obligations has occurred after the last day of the final business year (when the final business year does not exist, the day of the establishment of the other member commodity exchange dissolved in a consolidation-type merger) at the other member commodity exchange dissolved in a consolidation-type merger, the content of the event (when a new final business year emerges during the period between 10

days before a general meeting of members referred to in Article 144-3, paragraph (4) of the Act and the day of the establishment of the member commodity exchange established by a consolidation-type merger, limited to the content of an event that occurred after the last day of the new final business year);

- (iii) a balance sheet which another member commodity exchange dissolved in a consolidation-type merger (limited to a liquidating member commodity exchange) has prepared pursuant to the provisions of Article 492, paragraph (1) of the Companies Act as applied mutatis mutandis pursuant to Article 77, paragraph (1) of the Act;
- (iv) when an event that has a significant influence on the status of the property of another member commodity exchange dissolved in a consolidation-type merger, such as the disposition of important property and the bearing of significant obligations has occurred after the last day of the final business year (when the final business year does not exist, the day of the establishment of the member commodity exchange dissolved in a consolidation-type merger) at the member commodity exchange dissolved in a consolidation-type merger (excluding liquidating member commodity exchanges; the same applies below in this item), the content of the event (in cases when a new final business year emerges during the period between 10 days before a general meeting of members referred to in Article 144-3, paragraph (4) of the Act and the day of the establishment of the member commodity exchange established by a consolidation-type merger, limited to the content of an event that occurred after the last day of the new final business year);
- (v) the information concerning prospects of the performance of obligations (excluding obligations succeeded to from another member commodity exchange dissolved in a consolidation-type merger) of the member commodity exchange established by a consolidation-type merger on and after the day of the establishment of the member commodity exchange established by a consolidation-type merger;
- (vi) if there is any change to the information stated in the preceding items after 10 days before a general meeting of members referred to in Article 144-3, paragraph (4) of the Act, the changed information.

#### (Information to be Disclosed in Advance by a Member Commodity Exchange Dissolved in a Consolidation-Type Merger

Article 59-5 The information specified by order of the competent ministry as referred to in Article 144-3, paragraph (1) of the Act is as follows when a member commodity exchange established by a consolidation-type merger is an incorporated commodity exchange:

- (i) the information concerning the appropriateness of the provisions on information stated in Article 143, paragraph (1), items (vi) and (vii) of the Act;
- (ii) the following information concerning another commodity exchange dissolved in a consolidation-type merger (excluding liquidating stock companies and liquidating member commodity exchanges; the same applies below in this item):
  - (a) financial statements, etc. or an inventory of property, and a balance sheet for the final business year, and the content of a profit and loss statement prepared together with the balance sheet (when the final business year does not exist, a balance sheet on the day of the establishment of another incorporated commodity exchange dissolved in a consolidation-type merger);
  - (b) when there are provisional financial statements, etc. that consider the day after the last day of the final business year (when the final business year does not exist, the day of the establishment of the other commodity exchange dissolved in a consolidation-type merger) as a provisional account closing day (when there are two or more provisional account closing days, the last one), the content of the provisional financial statements, etc.;
  - (c) when an event that has a significant influence on the status of the property of another commodity exchange dissolved in a consolidation-type merger, such as the disposition of important property and the bearing of significant obligations has occurred after the last day of the final business year (when the final business year does not exist, the day of the establishment of the other commodity exchange dissolved in a consolidation-type merger) at the other commodity exchange dissolved in a consolidation-type merger, the content of the event (when a new final business year emerges during the period between 10 days before a general meeting of members referred to in Article 144-3, paragraph (4) of the Act and the day of the establishment of the incorporated commodity exchange established by a consolidation-type merger, limited to the content of an event that occurred after the last day of the new final business year);
- (iii) a balance sheet which another commodity exchange dissolved in a consolidation-type merger (limited to a liquidating stock company or liquidating member commodity exchange) has prepared pursuant to the provisions of Article 492, paragraph (1) of the Companies Act (including as applied *mutatis mutandis* pursuant to Article 77, paragraph (1) of the Act);
- (iv) when an event that has a significant influence on the status of the property of the member commodity exchange dissolved in a consolidation-type merger, such as the disposition of important property and the bearing of significant obligations has occurred after the last day of the final business year (when

the final business year does not exist, the day of the establishment of the member commodity exchange dissolved in a consolidation-type merger) at the member commodity exchange dissolved in a consolidation-type merger (excluding liquidating member commodity exchanges; the same applies below in this item), the content of the event when a new final business year emerges during the period between 10 days before a general meeting of members referred to in Article 144-3, paragraph (4) of the Act and the day of the establishment of the incorporated commodity exchange established by a consolidation-type merger, limited to the content of an event that occurred after the last day of the new final business year);

- (v) the information concerning prospects of the performance of obligations (excluding obligations succeeded to from another commodity exchange dissolved in a consolidation-type merger) of the incorporated commodity exchange established by a consolidation-type merger on and after the day of the establishment of the incorporated commodity exchange established by a consolidation-type merger; and
- (vi) if there is any change to the information stated in the preceding items after 10 days before a general meeting of members referred to in Article 144-3, paragraph (4) of the Act, the changed information.

(Information to Be Disclosed After the Fact by Member Commodity Exchanges Established by Consolidation-Type Mergers)

Article 59-6 The information specified by order of the competent ministry as referred to in Article 144-4, paragraph (3) of the Act is as follows:

- (i) the day on which the consolidation-type merger becomes effective;
- (ii) the progress of the procedures concerning the demand under the provisions of Article 144-3, paragraph (5) of the Act;
- (iii) the progress of the procedures under the provisions of Article 124 of the Act as applied *mutatis mutandis* pursuant to Article 144-3, paragraph (6) of the Act;
- (iv) the information concerning important rights and obligations which the member commodity exchange established by a consolidation-type merger succeeded to from the member commodity exchange dissolved in a consolidation-type merger through a consolidation-type merger; and
- (v) beyond what is stated in the preceding items, important information concerning the consolidation-type merger.

(Information to Be Disclosed After the Fact by Member Commodity Exchanges Established by Consolidation-Type Mergers)

Article 59-7 The information specified by order of the competent ministry as prescribed in Article 144-4, paragraph (4) of the Act is the information stated

or recorded in a document or an electronic or magnetic record which the member commodity exchange dissolved in a consolidation-type merger has kept pursuant to the provisions of Article 144-3, paragraph (1) of the Act (excluding the content of the consolidation-type merger contract).

(Information to be Disclosed in Advance by Member Commodity Exchanges Surviving Absorption-Type Mergers)

Article 59-8 The information specified by order of the competent ministry as referred to in Article 144-5, paragraph (1) of the Act is as follows:

- (i) the information concerning the appropriateness of the provisions on information stated in Article 142, items (ii) and (iii) of the Act (when there are no such provisions, that fact);
- (ii) the following information concerning a member commodity exchange dissolved in an absorption-type merger (excluding liquidating member commodity exchanges):
  - (a) an inventory of property and a balance sheet for the final business year and the content of a profit and loss statement prepared together with the balance sheet;
  - (b) when an event that has a significant influence on the status of the property of the member commodity exchange dissolved in an absorption-type merger, such as the disposition of important property and the bearing of significant obligations has occurred after the last day of the final business year (when the final business year does not exist, the day of the establishment of the member commodity exchange dissolved in an absorption-type merger; the same applies in item (iv)), the content of the event (when a new final business year emerges during the period between the earliest day among the days stated in the items of Article 144-5, paragraph (1) of the Act and the day when the absorption-type merger becomes effective, limited to the content of an event that occurred after the last day of the new final business year);
- (iii) a balance sheet which the member commodity exchange dissolved in an absorption-type merger (limited to a liquidating member commodity exchange) has prepared pursuant to the provisions of Article 492, paragraph (1) of the Companies Act as applied mutatis mutandis pursuant to Article 77, paragraph (1) of the Act;
- (iv) the following information concerning a member commodity exchange surviving an absorption-type merger:
  - (a) when an event that has a significant influence on the status of the property of the incorporated commodity exchange surviving an absorption-type merger, such as the disposition of important property and the bearing of significant obligations has occurred after the last day of the final

business year (when the final business year does not exist, the day of the establishment of the incorporated commodity exchange surviving an absorption-type merger), the content of the event (when a new final business year emerges during the period between the earliest day among the days stated in the items of Article 144-5, paragraph (1) of the Act and the day when the absorption-type merger becomes effective, limited to the content of an event that occurred after the last day of the new final business year);

- (b) when the final business year does not exist for the incorporated commodity exchange surviving an absorption-type merger, a balance sheet as of the day of the establishment of the incorporated commodity exchange surviving an absorption-type merger;
- (v) the information concerning prospects of the performance of obligations (limited to obligations which the incorporated commodity exchange bears against the creditors that may state objections to the absorption-type merger pursuant to the provisions of Article 144-10, paragraph (1) of the Act) of the incorporated commodity exchange surviving an absorption-type merger on or after the day when the absorption-type merger comes into effect;
- (vi) if there is any change to the information stated in the preceding items during the period between the earliest day among the days stated in the items of Article 144-5, paragraph (1) of the Act and the day when the absorption-type merger becomes effective, the changed information.

(Amount of Assets)

Article 59-9 (1) The amount specified by order of the competent ministry as the amount of the obligations prescribed in Article 144-6, paragraph (2), item (i) of the Act is the amount obtained by subtracting the amount stated in item (ii) from the amount stated in item (i):

- (i) when the balance sheet of an incorporated commodity exchange surviving an absorption-type merger was considered to have been prepared immediately after the absorption-type merger, the amount required to be recorded in the liabilities section of the balance sheet;
  - (ii) in cases when the balance sheet of an incorporated commodity exchange surviving an absorption-type merger was considered to have been prepared immediately before the absorption-type merger, the amount required to be recorded in the liabilities section of the balance sheet.
- (2) The amount specified by order of the competent ministry as the amount of the assets prescribed in Article 144-6, paragraph (2), item (i) of the Act is the amount obtained by subtracting the amount stated in item (ii) from the amount stated in item (i):
- (i) in cases when the balance sheet of an incorporated commodity exchange

surviving an absorption-type merger was considered to have been prepared immediately after the absorption-type merger, the amount required to be recorded in the assets section of the balance sheet;

- (ii) in cases when the balance sheet of an incorporated commodity exchange surviving an absorption-type merger was considered to have been prepared immediately before the absorption-type merger, the amount obtained by subtracting the amount of the money stated in Article 144-6, paragraph (2), item (ii) of the Act from the amount required to be recorded in the assets section of the balance sheet.

#### (Amount of Net Assets)

Article 59-10 The means specified by order of the competent ministry as prescribed in Article 144-7, paragraph (1), item (ii) of the Act are the means in which the amount of the net assets of an incorporated commodity exchange surviving an absorption-type merger is considered to be the amount obtained by subtracting the amount stated in item (vii) from the sum of the amounts stated in items (i) through (vi) on the calculation base date (meaning the day an absorption-type merger contract was entered into (when the calculation base date which is different from the day the absorption-type merger contract was entered into is specified (limited to the time between the day the absorption-type merger contract was entered into and the day when the absorption-type merger came into effect) by the contract, that date)) (when the obtained amount is less than five million yen, the amount is to be five million yen):

- (i) the amount of capital;
- (ii) the amount of capital reserve;
- (iii) the amount of profit reserve;
- (iv) the amount of surplus prescribed in Article 446 of the Companies Act;
- (v) the amount related to valuation or translation difference on the last day of the final business year (when the final business year does not exist, the day of the establishment of the incorporated commodity exchange surviving an absorption-type merger);
- (vi) the book value of share options; and
- (vii) the sum of the book value of a person's own shares and their own share options.

#### (Number of Shares)

Article 59-11 The number specified by order of the competent ministry as prescribed in Article 144-7, paragraph (2) of the Act is the smallest number among the following numbers:

- (i) the number adding one to the number obtained by multiplying  $\frac{1}{3}$  (when the

articles of incorporation specify, as a requirement for adopting a resolution of a shareholders meeting that a majority of at least a certain rate of the total voting rights held by specified shareholders (meaning shareholders of specified shares (meaning shares for which a voting right may be exercised at a shareholders meeting related to the acts prescribed in Article 144-7, paragraph (2) of the Act; the same applies below in this Article); the same applies below in this Article) who attend the shareholders meeting must agree to the resolution, the rate obtained by subtracting the certain rate from one) by the number obtained by multiplying 1/2 (when the articles of incorporation specify, as a requirement for adopting a resolution of the shareholders meeting, that shareholders that hold more than a certain rate of the total voting rights must attend the shareholders meeting, that certain rate) by the total number of specified shares;

- (ii) when the articles of incorporation specify, as a requirement for adopting a resolution related to the acts prescribed in Article 144-7, paragraph (2) of the Act, that more than a certain number of specified shareholders must agree to the resolution, and when the number obtained by subtracting the number of specified shareholders that have notified an incorporated commodity exchange surviving an absorption-type merger that they will disagree with the act from the total number of specified shareholders is less than the certain number, the number of specified shares held by the specified shareholders that have notified that they will disagree with the act;
- (iii) when the articles of incorporation have provisions other than those stated in the preceding two items as a requirement for adopting a resolution related to the acts prescribed in Article 144-7, paragraph (2) of the Act, and the resolution will not be adopted if all the specified shareholders that have notified that they will disagree with the act disagree with the act at a shareholders meeting prescribed in that paragraph, the number of specified shares held by specified shareholders that have notified that they will disagree with the act; or
- (iv) the number specified by the articles of incorporation.

(Information Concerning Accounting Documents)

Article 59-12 The information specified by order of the competent ministry as prescribed in Article 144-11, paragraph (2), item (iii) of the Act is the information specified in the following items in accordance with the category of cases stated in each item, on the day of the public notice stated in that paragraph or the day of the notice stated in that paragraph, whichever is earlier:

- (i) when an incorporated commodity exchange surviving an absorption-type merger has given public notice with regard to a balance sheet for the final



business year or its outline pursuant to the provisions of Article 440, paragraph (1) or (2) of the Companies Act: the following information:

- (a) when the public notice has been given in an Official Gazette, the date of the issuance of the Official Gazette and the page containing the public notice;
  - (b) when the public notice has been given in a daily newspaper which publishes matters on current events, the name and the date of the issuance of the daily newspaper and the page containing the public notice; and
  - (c) when the public notice has been given by electronic public notice, the information stated in Article 911, paragraph (3), item (xxviii), (a) of the Companies Act;
- (ii) when an incorporated commodity exchange surviving an absorption-type merger has taken measures prescribed in Article 440, paragraph (3) of the Companies Act with regard to a balance sheet for the final business year: information stated in Article 911, paragraph (3), item (xxvi) of the Companies Act;
  - (iii) when an incorporated commodity exchange surviving an absorption-type merger is a stock company prescribed in Article 440, paragraph (4) of the Companies Act, and the stock company has submitted an annual securities report for the final business year pursuant to the provisions of Article 24, paragraph (1) of the Financial Instruments and Exchange Act: a statement to that effect;
  - (iv) when the final business year does not exist for an incorporated commodity exchange surviving an absorption-type merger: a statement to that effect;
  - (v) when an incorporated commodity exchange surviving an absorption-type merger is a liquidating stock company: a statement to that effect; or
  - (vi) when other than those stated in the preceding items: the content of the outline of the balance sheet for the final business year under the provisions of Part VI, Chapter II of the Regulations on Corporate Accounting.

(Information to Be Disclosed After the Fact by Incorporated Commodity Exchanges Surviving Absorption-Type Mergers)

Article 59-13 The information specified by order of the competent ministry as prescribed in Article 144-12, paragraph (1) of the Act is as follows:

- (i) the day on which the absorption-type merger becomes effective;
- (ii) the following information for the member commodity exchange dissolved in an absorption-type merger:
  - (a) the progress of the procedures related to the demand under the provisions of Article 144, paragraph (5) of the Act;
  - (b) the progress of the procedures under the provisions of Article 124 of the Act as applied mutatis mutandis pursuant to Article 144, paragraph (6) of

- the Act;
- (iii) the following information for the incorporated commodity exchange surviving an absorption-type merger:
    - (a) the progress of the procedures related to the demand under the provisions of Article 144-9 of the Act;
    - (b) the progress of the procedures under the provisions of Article 144-10 of the Act (with regard to paragraph (3) of that Article, limited to the part to which Article 797, paragraphs (5) through (9) of the Companies Act are applied *mutatis mutandis*) and Article 144-11, paragraphs (1) through (5) of the Act;
  - (iv) information concerning important rights and obligations which the incorporated commodity exchange surviving an absorption-type merger succeeded to from the member commodity exchange dissolved in an absorption-type merger through an absorption-type merger;
  - (v) information stated or recorded in a document or an electronic or magnetic record which the member commodity exchange dissolved in an absorption-type merger has kept pursuant to the provisions of Article 144, paragraph (1) of the Act (excluding the content of the absorption-type merger contract);
  - (vi) the date of the registration of the change referred to in Article 147, paragraph (2) of the Act; and
  - (vii) beyond what is stated in the preceding items, important information concerning the absorption-type merger.

(Information to be Disclosed in Advance by an Incorporated Commodity Exchange Dissolved in a Consolidation-Type Merger)

Article 59-14 The information specified by order of the competent ministry as referred to in Article 144-13, paragraph (1) of the Act is as follows:

- (i) the information concerning the appropriateness of the provisions on information stated in Article 143, paragraph (1), items (vi) and (vii);
- (ii) when all or some of the incorporated commodity exchanges dissolved in a consolidation-type merger issue share options, information concerning the appropriateness of the provisions on information stated in Article 143, paragraph (1), items (viii) and (ix) of the Act;
- (iii) the following information concerning another commodity exchange dissolved in a consolidation-type merger (excluding liquidating stock companies and liquidating member commodity exchanges; the same applies below in this item):
  - (a) financial statements, etc. or an inventory of property, and a balance sheet for the final business year, and the content of a profit and loss statement prepared together with the balance sheet (when the final business year does not exist, a balance sheet on the day of the establishment of the other

- incorporated commodity exchange dissolved in a consolidation-type merger);
- (b) when there are provisional financial statements, etc. that consider the day after the last day of the final business year when the final business year does not exist, the day of the establishment of the other incorporated commodity exchange dissolved in a consolidation-type merger) as the provisional account closing day (when there are two or more provisional account closing days, the last one), the content of the provisional financial statements, etc.;
  - (c) when an event that has a significant influence on the status of the property of another commodity exchange dissolved in a consolidation-type merger, such as the disposition of important property and the bearing of significant obligations has occurred after the last day of the final business year (when the final business year does not exist, the day of the establishment of the other commodity exchange dissolved in a consolidation-type merger) of the other commodity exchange dissolved in a consolidation-type merger, the content of the event (when a new final business year emerges during the period between the earliest day among the days stated in the items of Article 144-13, paragraph (1) of the Act and the day of the establishment of the incorporated commodity exchange established by a consolidation-type merger, limited to the content of an event that occurred after the last day of the new final business year);
  - (iv) a balance sheet which another commodity exchange dissolved in a consolidation-type merger (limited to a liquidating stock company or liquidating member commodity exchange) has prepared pursuant to the provisions of Article 492, paragraph (1) of the Companies Act (including as applied *mutatis mutandis* pursuant to Article 77, paragraph (1) of the Act);
  - (v) the following information concerning the incorporated commodity exchange dissolved in a consolidation-type merger (excluding liquidating stock companies; the same applies below in this item):
    - (a) when an event that has a significant influence on the status of the property of the incorporated commodity exchange dissolved in a consolidation-type merger, such as the disposition of important property and the bearing of significant obligations has occurred after the last day of the final business year (when the final business year does not exist, the day of the establishment of the incorporated commodity exchange dissolved in a consolidation-type merger) of the incorporated commodity exchange dissolved in a consolidation-type merger, the content of the event (when a new final business year emerges during the period between the earliest day among the days stated in the items of Article 144-13, paragraph (1) of the Act and the day of the establishment of the incorporated commodity

exchange established by a consolidation-type merger, limited to the content of an event that occurred after the last day of the new final business year); and

- (b) when the final business year does not exist for the incorporated commodity exchange dissolved in a consolidation-type merger, the balance sheet on the day of the establishment of the incorporated commodity exchange dissolved in a consolidation-type merger;
- (vi) the information concerning prospects of the performance of obligations (excluding obligations succeeded to from another commodity exchange dissolved in a consolidation-type merger) of the incorporated commodity exchange established by a consolidation-type merger on and after the day of the establishment of the incorporated commodity exchange established by a consolidation-type merger; and
- (vii) if there is any change to the information stated in the preceding items after the earliest day among the days stated in the items of Article 144-13, paragraph (1) of the Act, the changed information.

(Information to be Disclosed after the Fact by an Incorporated Commodity Exchange Established by a Consolidation-Type Merger)

Article 59-15 The information specified by order of the competent ministry as referred to in Article 144-21, paragraph (1) of the Act is as follows:

- (i) the day on which the consolidation-type merger becomes effective;
- (ii) the following information for the member commodity exchange dissolved in a consolidation-type merger:
  - (a) the progress of the procedures related to the demand under the provisions of Article 144-3, paragraph (5) of the Act; and
  - (b) the progress of the procedures under the provisions of Article 124 of the Act as applied mutatis mutandis pursuant to Article 144-3, paragraph (6) of the Act;
- (iii) the following information concerning the incorporated commodity exchange dissolved in a consolidation-type merger:
  - (a) the progress of the procedures related to the demand under the provisions of Article 144-16 of the Act; and
  - (b) the progress of the procedures under the provisions of Article 144-17, paragraphs (1) and (2) of the Act (limited to the part to which Article 806, paragraphs (5) through (9) of the Companies Act are applied mutatis mutandis), Article 144-18, paragraphs (1) and (2) of the Act (limited to the part to which Article 808, paragraphs (5) through (10) of the Companies Act are applied mutatis mutandis), and Article 144-11, paragraphs (1) through (5) of the Act as applied mutatis mutandis pursuant to Article 144-19 of the Act;

- (iv) the information concerning important rights and obligations which the incorporated commodity exchange established by a consolidation-type merger succeeded to from the commodity exchange dissolved in a consolidation-type merger through a consolidation-type merger; and
- (v) beyond what is stated in the preceding items, important information concerning a consolidation-type merger.

(Information to Be Disclosed After the Fact by Incorporated Commodity Exchanges Established by Consolidation-Type Mergers)

Article 59-16 The information specified by order of the competent ministry as prescribed in Article 144-21, paragraph (2) of the Act is the information stated or recorded in a document or an electronic or magnetic record which the commodity exchange dissolved in a consolidation-type merger has kept pursuant to the provisions of Article 144-3, paragraph (1) and Article 144-13, paragraph (1) of the Act (excluding the content of the consolidation-type merger contract).

(Documents Attached to Written Applications for Authorization of Mergers)

Article 60 The documents specified by order of the competent ministry as referred to in Article 145, paragraph (3) of the Act are the following documents (in cases of documents certified by a public agency, limited to documents prepared within three months before the date of filing the application for authorization):

- (i) a document stating the reasons for the merger;
- (ii) a document specified as follows in accordance with the cases stated in each sub-item:
  - (a) when an officer of a commodity exchange surviving a merger or a commodity exchange established by a merger is a foreign national: a copy of the residence certificate, etc. and curriculum vitae of the officer, and a document pledging that the person does not fall under any of the provisions of Article 15, paragraph (2), item (i), sub-items (a) through (k) of the Act;
  - (b) when an officer of a commodity exchange surviving a merger or a commodity exchange established by a merger is a corporation: a certificate of the registered information of the officer, a document stating the history of the corporation, and a document pledging that the officer does not fall under the provisions of Article 15, paragraph (2), item (i), (l) of the Act;
  - (c) when an officer of a commodity exchange surviving a merger or a commodity exchange established by a merger is neither a foreign national nor a corporation: a copy of the residence certificate, etc. and curriculum vitae of the officer, a certification issued by a public agency proving that

the person does not fall under the provisions of Article 15, paragraph (2), item (i), (b) of the Act, and a document pledging that the person does not fall under any of the provisions of sub-item (a) or sub-items (c) through (k) of that item;

- (iii) a document stating the name or trade name of a member, etc., and the address of the principal office or head office of the member, etc., a document pledging that the person does not fall under any of the provisions of the items of Article 31, paragraph (1) of the Act, and when completing settlement by the methods stated in Article 105, item (i) of the Act for one or more commodity markets that the commodity exchange related to the application seeks to open, a record concerning the person's net assets prepared according to Form No. 1 within 30 days before the date of application for authorization;
- (iv) minutes of the general meeting of members concerning the merger of each commodity exchange that implements the merger (in cases of a member commodity exchange, meaning the general meeting of members referred to in Article 144, paragraph (4), Article 144-2, paragraph (2), or Article 144-3, paragraph (4) of the Act; in cases of an incorporated commodity exchange, meaning the shareholders meeting referred to in Article 144-6, paragraph (1) and Article 144-14, paragraph (1) of the Act, and Article 783, paragraph (1), Article 795, paragraph (1), or Article 804, paragraph (1) of the Companies Act), and other documents proving that necessary procedures have been taken;
- (v) a document disclosing the status of the property, income and expenditure of each commodity exchange that implements merger (in cases of a member commodity exchange, the settlement related documents, etc. for the final business year; in cases of an incorporated commodity exchange, the financial statements, etc. of the final business year and their annexed detailed statements);
- (vi) when a public notice or notification is given pursuant to the provisions of Article 124, paragraph (2) as applied mutatis mutandis pursuant to Article 144, paragraph (6), Article 144-2, paragraph (4), and Article 144-3, paragraph (6) of the Act, Article 144-11, paragraph (2) of the Act (including as applied mutatis mutandis pursuant to Article 144-19 of the Act), or Article 789, paragraph (2), Article 799, paragraph (2), Article 810, paragraph (2) of the Companies Act, (when the public notice is given through a daily newspaper which publishes matters on current events, or an electronic public notice in addition to an Official Gazette pursuant to the provisions of Article 124, paragraph (3), Article 144-11, paragraph (3) of the Act (including as applied mutatis mutandis pursuant to Article 144-19), or Article 789, paragraph (3), Article 799, paragraph (3), or Article 810, paragraph (3) of the Companies Act, a public notice through those means), and a creditor has

- made an objection, a document proving that payment has been made or a reasonable collateral has been provided to the creditor, and reasonable property has been deposited for the purpose of having the creditor receive the payment, or that the merger is not likely to harm the creditor;
- (vii) a document stating the method of succeeding the business related to transactions in a commodity market which has been opened by a commodity exchange to be dissolved by a merger;
  - (viii) a document stating the status of securing employees who have the knowledge and experience related to the business of a commodity exchange and the status of the assignment of those employees (limited to a case in which a commodity exchange after the merger is an incorporated commodity exchange);
  - (ix) a document stating the estimated transaction volume of futures transactions for one year after the merger in the commodity market which they seek to open;
  - (x) when seeking to open a commodity market related to a listed commodity at the time of a merger, a document stating that it is appropriate to conduct transactions of component products of listed commodities in a single commodity market; and
  - (xi) when seeking to open a commodity market at the time of a merger by specifying two or more commodity indices as a single listed commodity index, a document stating that the majority of the goods or electric power subject to the two or more commodity indices are common to one another.

(Submission of Doctor's Medical Certificates)

Article 60-2 When an application for the authorization under Article 145, paragraph (1) of the Act is filed, and the competent minister finds it necessary for examining whether officers of the commodity exchange after the merger include any person who falls under Article 15, paragraph (2), item (i), sub-item (a) or (k) of the Act (limited to the part related to (a)), the minister may request the applicant to submit a doctor's medical certificate stating the name of the illness of the person subject to the examination, whether the person has any mental impairment and the level of the mental impairment, causes of the illness, post-illness progress, prospects of recovery, and other remarks for reference.

(Market Price When Processing Any Fractional Shares Less Than One Share Due to Issuance of Shares)

Article 60-3 The method specified by order of the competent ministry as prescribed in Article 234, paragraph (2) of the Companies Act as applied *mutatis mutandis* pursuant to Article 150 of the Act following the deemed

replacement of terms is the method of considering the price of shares prescribed in Article 234, paragraph (2) of the Companies Act as applied mutatis mutandis pursuant to Article 150 of the Act following the deemed replacement of terms to be the prices specified in the following items in accordance with the category of cases stated in each of those items:

- (i) when the shares are sold by a transaction in a market: the price at sale by the transaction;
- (ii) in cases other than those stated in the preceding item: either of the following prices, whichever is higher:
  - (a) the closing price in the market where the shares are traded on the date of sale (if there is no buying or selling transaction on the date of the sale, or if the date of the sale is a holiday of the market, the price of the first buying and selling transactions conducted after the date of the sale); or
  - (b) if the shares are subject to a tender offer, etc. on the date of the sale, the price of the shares under the contract related to the tender offer, etc. on the date of the sale.

(Necessary Information Concerning Calculation at the Time of Merger)

Article 60-4 The necessary information concerning the calculation at the time of a merger specified by order of the competent ministry pursuant to the provisions of Article 154, paragraph (2) of the Act is as specified in the provisions of the following Article through Article 60-13.

(Consideration of Accounting Practices)

Article 60-5 Regarding the interpretation of terms stated in the following Article through Article 60-13 and the application of such provisions, generally accepted corporate accounting standards and other accounting practices must be taken into consideration.

(Amount of Change in Members' Assets of a Member Commodity Exchange Surviving an Absorption-Type Merger When All or Part of the Consideration of Absorption-Type Mergers Are Contributions of the Member Commodity Exchanges Surviving Absorption-Type Mergers)

Article 60-6 (1) When all or part of the consideration of an absorption-type merger (meaning property delivered to members of a member commodity exchange dissolved in an absorption-type merger by the member commodity exchange surviving an absorption-type merger; the same applies below in this paragraph and the following Article) at the time of an absorption-type merger (meaning an absorption-type merger referred to in Article 140 of the Act; the same applies below in this paragraph and the following Article) is the contribution of the member commodity exchange surviving the absorption-type



merger, the total amount of the members' capital (meaning the members' capital referred to in Article 16, paragraph (1), item (i); the same applies below) that changes in the member commodity exchange surviving the absorption-type merger (referred to as "amount of change in members' capital" in the following paragraph) is the amount to be decided in accordance with the category of the cases stated in the following items, by the methods specified in each of those items:

- (i) in the case (excluding cases that fall under a controlling acquisition by a member commodity exchange dissolved in an absorption-type merger) when the absorption-type merger falls under a controlling acquisition (meaning the case in which a member commodity exchange obtains control of another member commodity exchange (when that member commodity exchange and the other member commodity exchange are in a common control relationship, excluding the other member commodity exchange; the same applies below in this item) or the business of the other member commodity exchange; the same applies below in this item and Article 60-9): the method of calculation using the market value of the consideration of the absorption-type merger (meaning the value of the consideration of the absorption-type merger calculated by using the market value of the consideration of the consolidation-type merger or other appropriate method) or the property subject to an absorption-type merger (meaning property that a member commodity exchange surviving an acquisition-type merger succeeds to through an absorption-type merger; the same applies below in the following item) as the basis;
  - (ii) when where a member commodity exchange surviving an absorption-type merger and a member commodity exchange dissolved in an absorption-type merger are in a common control relationship: the method of calculating the book value immediately before an absorption-type merger of the property subject to an absorption-type merger as the basis (for portions that should be calculated by the method prescribed in the preceding item, that method);
  - (iii) in cases other than those stated in the preceding two items: the method prescribed in the preceding item.
- (2) In cases referred to in the preceding paragraph, the increased amounts of the contribution, membership fee, and capital surplus of the member commodity exchange surviving an absorption-type merger are the amounts respectively determined by the member commodity exchange surviving an absorption-type merger in accordance with the provisions of the absorption-type merger contract within the scope of the amount of change in members' capital, and the amount of the statutory capital and accumulated profits are not to change; provided, however, that when the amount of change in members' capital is less than zero, the amount of change in members' capital is the decreased amount

of the accumulated profit, and the amounts of the contribution, membership fee, and statutory capital do not change.

- (3) The term "common control relationship" as used in paragraph (1) means a relationship related to two or more persons (including those without legal personality; the same applies below in this paragraph) when the two or more persons are controlled (excluding temporary control; the same applies below in this paragraph) by the same person, or when one of the two or more persons control all of the other persons.

#### (Amount of Change in Members' Capital of Member Commodity Exchanges

##### Surviving Absorption-Type Mergers When Succeeding to Members' Capital)

Article 60-7 (1) Notwithstanding the provisions of the preceding Article, when all of the consideration of an absorption-type merger is the contribution of a member commodity exchange surviving an absorption-type merger, and it is appropriate to make a calculation by considering that the member commodity exchange dissolved in an absorption-type merger succeeds to the members' capital immediately before the absorption-type merger, the amounts of the contribution, membership fee, capital surplus, statutory capital, and accumulated profit of the member commodity exchange dissolved in an absorption-type merger immediately before the absorption-type merger may be considered the amounts of change of the contribution, membership fee, capital surplus, statutory capital, and accumulated profit of the member commodity exchange surviving an absorption-type merger.

- (2) When there is no consideration of an absorption-type merger, when it is appropriate to make a calculation by considering that the member commodity exchange dissolved in an absorption-type merger succeeds to the members' capital immediately before the absorption-type merger, the sum of the contribution, membership fee, and capital surplus of the member commodity exchange dissolved in an absorption-type merger before the absorption-type merger may be considered the amount of change in capital surplus of the member commodity exchange surviving an absorption-type merger, and the amounts of the statutory capital and accumulated profits immediately before an absorption-type merger may be considered the amount of change in accumulated profit of the member commodity exchange surviving an absorption-type merger.

#### (Application of Ministry of Justice Order in Cases of Absorption-Type Mergers of a Member Commodity Exchange and an Incorporated Commodity Exchange)

Article 60-8 Regarding the application of the provisions of Article 11 and Part II, Chapter III, Section 4, Subsection 1 of the Regulations on Corporate

Accounting in cases of an absorption-type merger between a member commodity exchange and an incorporated commodity exchange, in Article 36 of that Order, the phrase "the net assets immediately before an absorption-type merger" is deemed to be replaced with "the members' capital immediately prior to an absorption-type merger", the phrase "the amounts of stated capital, capital surplus, and accumulated profit" is deemed to be replaced with "the amounts of the contribution, membership fee, capital surplus, statutory capital, and accumulated profit", the phrase "the amount of other capital surplus" is deemed to be replaced with "the amount of capital surplus", the phrase "stated capital and capital surplus" is deemed to be replaced with "the contribution, membership fee, and capital surplus", and the phrase "the amount of accumulated profit immediately before an absorption-type merger" is deemed to be replaced with "the statutory capital and accumulated profit immediately before an absorption-type merger".

(Members' Capital of Member Commodity Exchanges Established in Consolidation-Type Mergers When Falling Under Control Acquisition)

Article 60-9 (1) When a consolidation-type merger (meaning a consolidation merger referred to in Article 141 of the Act; the same applies below in this paragraph, paragraph (1) of the following Article, and Article 60-11, paragraph (1)) falls under control acquisition, the total amount of the members' capital at the establishment of a member commodity exchange established by a consolidation-type merger is to be the total amount of the amounts prescribed in each of the following items in accordance with the category of the parts stated in those items (referred to as "amount of change in members' capital" in the following paragraph):

- (i) the part related to the member commodity exchange acquired through a consolidation-type merger (meaning a member commodity exchange dissolved in a consolidation-type merger that acquires control through a consolidation-type merger; the same applies below) in this Article: the amount determined by the method of calculation using the book value immediately before a consolidation-type merger of the property of the member commodity exchange acquired through a consolidation-type merger as the basis; or
- (ii) the part related to a member commodity exchange dissolved in a consolidation-type merger other than a member commodity exchange acquired through a consolidation-type merger: the market value of the consideration of the consolidation-type merger to be delivered to a member of the member commodity exchange dissolved in a consolidation-type merger (meaning the market value of the consideration of the consolidation-type merger (meaning the property delivered to members of a member commodity exchange dissolved in a consolidation-type merger by the member commodity

- exchange established by a consolidation-type merger at the time of the consolidation-type merger; the same applies below) or the value of the consideration of the consolidation-type merger calculated by other appropriate methods) or the market value of the property subject to a consolidation-type merger (meaning the property that a member commodity exchange established in an consolidation-type merger succeeds to through a consolidation-type merger; the same applies in Article 60-10, paragraph (1)).
- (2) In cases referred to in the preceding paragraph, the amounts of the contribution, membership fee, and capital surplus at the time of establishing the member commodity exchange established by a consolidation-type merger are the amounts respectively determined by the member commodity exchange dissolved in an absorption-type merger in accordance with the provisions of the consolidation-type merger contract within the scope of the amount of change in members' capital, and the amounts of the statutory capital and accumulated profits are to be zero; provided, however, that when the amount of change in members' capital is less than zero, that amount is the amount of the accumulated profit at the time of establishment, and the amounts of the contribution, membership fee, capital surplus, and statutory capital are to be zero.
- (3) Notwithstanding the provisions of the preceding two paragraphs, in cases referred to in paragraph (1), when all of the consideration of a consolidation-type merger delivered to the members of a member commodity Exchange acquired through a consolidation-type merger is the contribution of a member commodity Exchange established by a consolidation-type merger, the amounts of the contribution, membership fee, capital surplus, statutory capital, and accumulated profit at the time of establishment of the member commodity Exchange established by a consolidation-type merger may be considered the total amount of the amounts respectively calculated by applying mutatis mutandis the provisions in each of the following items in accordance with the category of the parts stated in those items:
- (i) the part related to the member commodity exchange acquired through a consolidation-type merger: the provisions of Article 60-11;
  - (ii) the part related to a member commodity exchange dissolved in a consolidation-type merger other than a member commodity exchange acquired through a consolidation-type merger: the provisions of paragraph (1) (excluding the part related to item (i) of that paragraph) and the preceding paragraph.

(Members' Capital of Member Commodity Exchanges Established in Consolidation-Type Mergers When There are Common Control Relationships)

Article 60-10 (1) When all of the member commodity exchanges dissolved in a

consolidation-type merger (meaning a common control relationship prescribed in Article 60-6, paragraph (3)), the total amount of the members' capital at the time of establishment of a member commodity exchange established by a consolidation-type merger is the amount determined by the method of calculation using the book value immediately before the consolidation-type merger of the property subject to a consolidation-type merger (for parts that should be calculated by the method prescribed in the paragraph (1), item (ii) of the preceding Article, that method) as the basis.

(2) In cases referred to in the preceding paragraph, the amounts of the contribution, membership fee, capital surplus, statutory capital, and accumulated profit at the time of establishment of a member commodity exchange established by a consolidation-type merger are the total amount of the amounts respectively calculated by applying *mutatis mutandis* the provisions in each of the following items in accordance with the category of the parts stated in those items:

(i) the part related to a member commodity exchange dissolved in a consolidation-type merger that succeeds to members' capital (meaning the member commodity exchange dissolved in a consolidation-type merger when it is determined that the member commodity exchange dissolved in a consolidation-type merger will be a member commodity exchange dissolved in a consolidation-type merger that succeeds to members' capital prescribed in this item when all of the consideration for a consolidation-type merger to be received by the members of a member commodity exchange dissolved in a consolidation-type merger is the contribution of the member commodity exchange established by a consolidation-type merger): the provisions of paragraph (1) of the following Article;

(ii) the part related to a member commodity exchange dissolved in a consolidation-type merger that does not succeed to members' capital (meaning a dissolving member commodity exchange with no consideration to deliver (meaning a member commodity exchange dissolved in a consolidation-type merger in which there is no consideration of the consolidation-type merger to be delivered to members of the member commodity exchange dissolved in a consolidation-type merger; the same applies in paragraph (2) of the following Article) and a member commodity exchange dissolved in a consolidation-type merger other than a member commodity exchange dissolved in a consolidation-type merger that succeeds to members' capital): the provisions of paragraph (2) of the preceding Article.

(Members' Capital of Member Commodity Exchanges Established in Consolidation-Type Mergers When Succeeding to Members' Capital)

Article 60-11 (1) In cases referred to in paragraph (1) of the preceding Article,

when all of the consideration of the consolidation-type merger is the contribution of the member commodity exchange established by a consolidation-type merger and it is appropriate to do a calculation by considering that the members' capital of a member commodity exchange dissolved in a consolidation-type merger immediately prior to a consolidation-type merger will be succeeded to, the total amounts of the contributions, membership fees, capital surplus, statutory capital, and accumulated capital of each member commodity exchange dissolved in a consolidation-type merger immediately before a consolidation-type merger may be considered to be the amount of the contribution, membership fee, capital surplus, statutory capital, and accumulated capital at the time of establishment of the member commodity exchange established by a consolidation-type merger.

- (2) Notwithstanding the provisions of the preceding paragraph, in cases referred to in the preceding paragraph, when there is a dissolving member commodity exchange with no consideration to deliver, the sum of the contribution, membership fee, and capital surplus of the dissolving member commodity exchange with no consideration to deliver is deemed to be the amount of the capital surplus of the dissolving member commodity exchange with no consideration to deliver, the amounts of the statutory capital and accumulated profit of the dissolving member commodity exchange with no consideration to deliver are deemed the amounts of the accumulated profit of the dissolving member commodity exchange with no consideration to deliver, and the provisions of that paragraph apply.

(Members' Capital of Member Commodity Exchanges Established in a Consolidation-Type Mergers in Other Cases)

Article 60-12 In cases other than the cases prescribed in Article 60-9, paragraph (1) and Article 60-10, paragraph (1), the amounts of the contribution, membership fee, capital surplus, statutory capital, and accumulated profit at the time of establishment of a member commodity exchange established by a consolidation-type merger are calculated pursuant to the provisions of those Articles and the preceding Article.

(Application of Ministry of Justice Order in Cases of Consolidation-Type Mergers Between a Member Commodity Exchange and an Incorporated Commodity Exchange)

Article 60-13 Regarding the application of the provisions of Article 11, Part II, Chapter III, Section 6, Subsection 2 of the Regulations on Corporate Accounting for cases of a consolidation-type merger between a member commodity exchange and an incorporated commodity exchange, in Article 47, paragraph (1) of that Order, the term "shareholders' equity, etc." is deemed to

be replaced with "members' capital and shareholders' equity, etc.", the phrase "respective totals of the stated capital, capital surplus, and accumulated profit" is deemed to be replaced with "respective totals of contribution, stated capital, membership fee, capital surplus, and statutory capital, and accumulated profit", the term "other capital surplus (" is deemed to be replaced with "capital surplus and other capital surplus (" , and in paragraph (2) of that Article, the term "stated capital and capital surplus" is deemed to be replaced with "contributions, membership fee, and capital surplus, or stated capital and capital surplus", the term "amount of other capital surplus" is deemed to be replaced with "capital surplus or other capital surplus", and the term "amount of accumulated profit" is deemed to be replaced with "amount of statutory capital and accumulated profit or accumulated profit", and the term "amount of other accumulated profit" is deemed to be replaced with "amount of accumulated profit or other accumulated profit".

(Documents Attached to Written Applications for Authorization of Changes to Articles of Incorporation)

Article 61 The documents specified by order of the competent ministry as referred to in Article 155, paragraph (2) of the Act are those specified in the following items in accordance with the category of cases stated in each of those items:

- (i) when the application for change concerns the establishment of a commodity market of a member commodity exchange: the documents stated in the following sub-items:
  - (a) a document that states the reasons for the change;
  - (b) a comparative table of the prior and amended provisions;
  - (c) minutes of a general meeting of Members or another document certifying that the necessary procedures for approval have been followed;
  - (d) a document proving that the total number of persons who are members of the member commodity exchange seeking to establish a commodity market for each commodity market which is planned to be newly established and who seek to conduct transactions in the commodity market, and persons who seek to become members of the member commodity exchange seeking to conduct transactions in the commodity market (limited to persons who have completed payment of the full amount of the contribution) is 20 or more;
  - (e) a document pledging that the majority of persons who are or seek to become members prescribed in sub-item (d) fall under the persons specified in the items of Article 10, paragraph (2) of the Act in relation to the commodity market;
  - (f) a document pledging that the person that seeks to become a member, etc.

- of the commodity exchange and seeks to conduct transactions in the commodity market does not fall under any of the provisions of the items of Article 31, paragraph (1) of the Act;
- (g) when completing settlements by the method stated in Article 105, item (i) of the Act at one or more commodity markets which are planned to be newly established, a record concerning the amount of the net assets of a person that is or seeks to become a member prescribed in (d) which is prepared according to Form No. 1 within 30 days before the date of filing the application of authorization;
  - (h) a document stating the estimated transaction volume of futures transactions in a commodity market which the person seeks to open for one year after opening the commodity market;
  - (i) when seeking to open a commodity market related to a listed commodity, a document stating that it is appropriate to conduct transactions of component products of listed commodities in a single commodity market; and
  - (j) when seeking to open a commodity market by specifying two or more commodity indices as a single listed commodity index, a document stating that the majority of the goods or electric power subject to the two or more commodity indices are common to one another;
- (ii) when the application for change relates to a change of the scope of a listed commodity or listed commodity index on a commodity market of a member commodity exchange (excluding abolition or narrowing of the scope; the same applies below in this item) or a change to the type of transaction, the documents stated in the following sub-items:
- (a) a document that states the reasons for the change;
  - (b) a comparative table of the prior and amended provisions;
  - (c) minutes of a general meeting of members and other documents proving that necessary procedures have been taken;
  - (d) in cases when settlement is completed in a commodity market related to the change by a method stated in Article 105, item (i) of the Act and the minimum amount of the net assets of members who conduct transactions in the commodity market has been changed, a record concerning the amount of the net assets of members which is prepared according to Form No. 1 within 30 days before the filing of the application for authorization;
  - (e) a document stating the estimated transaction volume of futures transactions in a commodity market related to the change for one year after the change;
  - (f) when changing the scope of a listed commodity, a document stating that it is appropriate to conduct transactions of two or more component products of listed commodities in a single commodity market;



- (g) when changing the scope of a listed commodity index that specifies two or more commodity indices as a single listed commodity index, a document stating that the majority of goods or electric power subject to the two or more commodity indices are common to one another;
- (iii) related to the abolition or change of the term of existence of a member commodity exchange, the time limit for opening of a commodity market of a member commodity exchange, or the period for changing the scope (meaning the period for changing the scope prescribed in Article 11, paragraph (4) of the Act) which a member commodity exchange specifies in its articles of incorporation: the documents stated in the following sub-items:
  - (a) a document that states the reasons for the change;
  - (b) a comparative table of the prior and amended provisions;
  - (c) minutes of a general meeting of members and other documents proving that necessary procedures have been taken; or
  - (d) a document stating the estimated transaction volume of futures transactions in the commodity market related to the change for one year after the change;
- (iv) in cases other than those stated in the preceding three items, documents stated in the following sub-items:
  - (a) a document that states the reasons for the change;
  - (b) a comparative table of the prior and amended provisions; or
  - (c) minutes of a general meeting of members or a shareholders meeting and other documents proving that necessary procedures have been taken.

(Documents Attached to Written Applications for Authorization of Changes to Operational Rules, Entrustment Contract Regulations, Dispute Resolution Rules, or Market Transactions Surveillance Committee Rules)

Article 62 The documents specified by order of the competent ministry as referred to in Article 156, paragraph (2) of the Act are those specified in the following items in accordance with the category of cases stated in each of those items:

- (i) when the application for change concerns the establishment of a commodity market by an incorporated commodity exchange, the documents stated in the following sub-items:
  - (a) a document that states the reasons for the change;
  - (b) a comparative table of the prior and amended provisions;
  - (c) a document proving that procedures for changes specified by the articles of incorporation or other rules have been completed;
  - (d) a document proving that the total number of persons who are trading participants of an incorporated commodity exchange seeking to establish a commodity market for each commodity market which is planned to be

- newly established and who seek to conduct transactions in the commodity market, and persons who seek to become trading participants of the incorporated commodity exchange and seek to conduct transactions in the commodity market is 20 or more;
- (e) a document pledging that the majority of persons who are or seek to become trading participants prescribed in (d) fall under the persons specified in Article 28, paragraph (1), item (v), (a) or (b) with regard to the commodity market;
  - (f) a document pledging that the person that seeks to become a trading participant of the incorporated commodity exchange and seeks to conduct transactions in the commodity market does not fall under any of the provisions of the items of Article 31, paragraph (1) of the Act;
  - (g) when completing settlements by the method stated in Article 105, item (i) of the Act at one or more commodity markets which are planned to be newly established, a record concerning the amount of the net assets of a person that is or seeks to become a trading participant prescribed in (d) which is prepared according to Form No. 1 within 30 days before the date of filing the application for authorization;
  - (h) a document stating the estimated transaction volume of futures transactions in a commodity market which the person seeks to open for one year after the opening;
  - (i) when seeking to open a commodity market related to a listed commodity, a document stating that it is appropriate to trade component products of listed commodities in a single commodity market;
  - (j) when seeking to open a commodity market by specifying two or more commodity indices as a single listed commodity index, a document stating that the majority of the goods or electric power subject to the two or more commodity indices are common to one another;
  - (ii) when the application for amendment relates to a change to the scope of a listed commodity or listed commodity index in a commodity market of an incorporated commodity exchange (excluding abolition or narrowing of the scope; the same applies below in this item) or a change to the type of transaction, the documents stated in the following sub-items:
    - (a) a document that states the reasons for the change;
    - (b) a comparative table of the prior and amended provisions;
    - (c) a document proving that procedures for changes specified by the articles of incorporation or other rules have been completed;
    - (d) in cases of completing a settlement in a commodity market related to the change by a method stated in Article 105, item (i) of the Act and the minimum amount of the net assets of trading participants who conduct transactions in the commodity market has been changed, a record

- concerning the amount of the net assets of trading participants which is prepared according to Form No. 1 within 30 days before the filing of the application for authorization;
- (e) a document stating the estimated transaction volume of futures transactions in the commodity market related to the change for one year after the change;
  - (f) when changing the scope of a listed commodity, a document stating that it is appropriate to conduct transactions of two or more component products of listed commodities on a single commodity market; and
  - (g) when changing the scope of a listed commodity index that specifies two or more commodity indices as a single listed commodity index, a document stating that the majority of goods or electric power subject to the two or more commodity indices are common to one another;
- (iii) in cases related to the abolition or change of the term of existence as an incorporated commodity exchange, the time limit for opening of a commodity market of the incorporated commodity exchange, or the period for changing the scope (meaning the period of changing the scope prescribed in Article 102, paragraph (3) of the Act) specified by the incorporated commodity exchange in the operational rules: the documents stated in the following sub-items:
- (a) a document that state the reasons for the change;
  - (b) a comparative table of the prior and amended provisions;
  - (c) a document proving that procedures for changes specified by the articles of incorporation or other rules have been completed; and
  - (d) a document stating the estimated transaction volume of futures transactions in the commodity market related to the change for one year after the change;
- (iv) in cases other than those listed in the preceding three items: the following documents;;
- (a) a document that states the reasons for the change;
  - (b) a comparative table of the prior and amended provisions; and
  - (c) a document proving that procedures for changes specified by the articles of incorporation or other rules have been completed.

(Parent Corporations or Affiliated Corporations)

Article 63 (1) The entities specified by order of the competent ministry as referred to in Article 22-2, paragraph (2) of the Order are the corporation, etc. (meaning the corporation, etc. prescribed in that paragraph; the same applies below in this Article) stated in the following items; provided, however, that this does not apply when it is found to be clear that the corporation, etc. does not control the decision-making body (meaning the decision-making body prescribed in that paragraph; the same applies below in this paragraph) of

another corporation, etc., from their financial, operational, or business relationships:

- (i) a corporation, etc. that holds on its own account, a majority of the voting rights of another corporation, etc. (excluding another corporation, etc. subject to an order for the commencement of bankruptcy proceedings, the commencement of rehabilitation proceedings, or the commencement of reorganization proceedings, and other corporations, etc. equivalent to the corporation, etc., where no effective dominant-subordinate relationship is found to exist; the same applies below in this paragraph); and
- (ii) a corporation, etc. that holds on its own account, forty percent or more, and fifty percent or less of the voting rights of another corporation, etc. and satisfies any of the following requirements:
  - (a) the total number of voting rights held by the corporation, etc. on its own account and the voting rights held by persons who are found to exercise their voting rights in the manner intended by the corporation, etc. due to a close relationship in terms of contribution, personnel affairs, funds, technology, transactions or other matters, and by persons who agree to exercise their voting rights in the manner intended by the corporation, etc., constitute a majority of the voting rights of the other corporation, etc.;
  - (b) a person who is an officer (meaning company director, executive officer, accounting advisor (when an accounting advisor is a corporation, including a member who is to perform the duties of the corporation), company auditor, or person holding a position similar to these positions) of the corporation, etc., member or employee of the corporation, etc. who executes the business, or person who formerly held the position, and is capable of influencing the decision of the other corporation, etc. with regard to its financial and operational or business policies, account for a majority of the members of the board of directors or other equivalent organization of the other corporation, etc.;
  - (c) there is a contract, etc. entered into between the corporation, etc. and the other corporation, etc. which provides for control over decisions of the other corporation, etc. with regard to its important financial and operational or business policies; or
  - (d) the corporation, etc. provides a loan (including guarantee of obligations and provision of collateral; the same applies below) that accounts for more than half of the total amount of the procured funds of the other corporation, etc. (limited to those recorded in the liability section of the balance sheet) (including when the amount of the loan accounts for more than half of the total amount of the procured funds when combined with the amount of the loan provided by a person that has a close relationship with the corporation, etc. in terms of contribution, personnel affairs, funds,

- technology, transactions or other matters); or
- (e) there are other facts implying that the corporation, etc. has control over the decision-making body of the other corporation, etc.;
- (iii) when the total number of voting rights held by the corporation, etc. on its own account and the voting rights held by persons who are found to exercise their voting rights in the manner intended by the corporation, etc. due to a close relationship in terms of contribution, personnel affairs, funds, technology, transactions or other matters, or by persons who agree to exercise their voting rights in the manner intended by the corporation, etc. constitutes a majority of the voting rights of the other corporation, etc. (including cases when that corporation, etc. does not hold the voting rights on its own account), that corporation which falls under any of the requirements stated in sub-items (b) through (e) of the preceding item.
- (2) The persons specified by order of the competent ministry as referred to in Article 22-2, paragraph (3) of the Order are those stated in the following items; provided, however, that this does not apply when it is found to be clear, from financial, operational, or business relationships, that the corporation, etc. (including a subsidiary corporation, etc. (meaning the subsidiary corporation, etc. prescribed in paragraph (2) of that Article; the same applies below in this Article) of the corporation, etc.) is unable to exert a material influence on the decision of another corporation, etc. other than a subsidiary corporation, etc. with regard to its financial and operational or business policies:
- (i) when a corporation, etc. (including a subsidiary corporation, etc. of the corporation, etc.) holds on its own account, not less than 20 percent of the voting rights of another corporation, etc. other than a subsidiary corporation, etc. (excluding another corporation, etc. other than a subsidiary corporation, etc. subject to an order for the commencement of bankruptcy proceedings, the commencement of rehabilitation proceedings, or the commencement of reorganization proceedings, and another corporation, etc. other than a subsidiary corporation, etc. equivalent to them, for which the corporation, etc. is found to be unable to exert a material influence on decisions with regard to its financial and operational or business policies; the same applies below in this paragraph), the other corporation, etc. other than a subsidiary corporation, etc.;
- (ii) when a corporation, etc. (including a subsidiary corporation, etc. of the corporation, etc.) holds on its own account, fifteen percent or more and less than twenty percent of the voting rights of another corporation, etc. other than a subsidiary corporation, etc., the other corporation, etc. other than a subsidiary corporation, etc. which satisfies any of the following requirements:
- (a) any person who is or was an officer, member that executes business, or

- employee of the corporation, etc., and capable of influencing the decision of the other corporation, etc. with regard to its financial and operational or business policies, has been appointed as a representative director, company director, or an equivalent post of the other corporation, etc.;
- (b) an important loan is provided by the corporation, etc.;
  - (c) important technology is provided by the corporation, etc.;
  - (d) it conducts important operational or business transactions with the corporation, etc.; or
  - (e) there are other facts implying that the corporation, etc. is able to exert a material influence on decisions with regard to its financial and operational or business policies;
- (iii) when the total number of voting rights held by a corporation, etc. (including a subsidiary corporation, etc. of the corporation, etc.) on its own account and the voting rights held by persons who are found to exercise their voting rights in the manner intended by the corporation, etc. due to a close relationship in terms of contribution, personnel affairs, funds, technology, transactions or other matters, or by persons who agree to exercise their voting rights in the manner intended by the corporation, etc. constitutes twenty percent or more of the voting rights of the other corporation, etc. other than a subsidiary corporation, etc. (including cases in which that corporation, etc. does not hold the voting rights on its own account), another corporation, etc. other than a subsidiary corporation, etc. which falls under any of the requirements stated in sub-items (a) through (e) of the preceding item.

(Requirements for Committee Members of Market Transactions Surveillance Committees)

Article 64 The requirements specified by order of the competent ministry as referred to in Article 166, paragraph (1) of the Act are that the committee member falls under all of the following items; provided, however, that this does not apply when the approval of the competent minister has been obtained:

- (i) the committee member does not fall under any of the provisions of Article 15, paragraph (2), item (i), sub-items (a) through (k) of the Act;
- (ii) the committee member does not have any relationship with a business organization related to transactions of component products of listed commodities, etc. (meaning component products of listed commodities, etc., prescribed in Article 15, paragraph (1), item (i) of the Act; the same applies below); and
- (iii) the committee member has not accepted a request of transactions, etc. in the commodity market (excluding commodity clearing transactions), become an officer, advisor, or councilor of a company that conducts transactions in

the commodity market in the course of trade and directly or indirectly participated in the management of the company, received counter-payment from the company, nor invested in the company.

(Market Transactions Surveillance Committee Rules)

Article 65 The matters specified by order of the competent ministry as referred to in Article 166, paragraph (3) of the Act are as follows:

- (i) matters concerning a guarantee of the status of a committee member;
- (ii) matters concerning the maintenance of confidential information learned in the course of duties by the committee member; and
- (iii) matters concerning an opinion of a market transactions surveillance committee.

(Documents Attached to Written Applications for Licenses of Commodity Clearing Organizations)

Article 66 The documents specified by order of the competent ministry as referred to in Article 168, paragraph (2) of the Act are as follows (in cases of documents certified by a public agency, limited to those prepared within three months before the date of filing the application for a license):

- (i) a certificate of the registered information;
- (ii) the financial statements, etc. for the immediately preceding business year and attached certificates;
- (iii) a document stating the estimated income and expenditures for the three years after the commencement of the business;
- (iv) a document stating the name or trade name, the address or location of the major shareholder (meaning a shareholder holding 10 percent or more of the voting rights (meaning a voting right prescribed in the main clause of Article 86, paragraph (1) of the Act; the same applies below in this item) of all shareholders; the same applies below), and the number of voting rights that the major shareholder holds;
- (v) a document stating an outline of a parent corporation, etc. (meaning a corporation or other organization that holds the majority of voting rights (meaning a voting right prescribed in the preceding item) of all shareholders of a commodity clearing organization) and a subsidiary corporation, etc. (meaning a corporation or other organization that holds the majority of the voting rights (meaning a voting right prescribed in Article 9, paragraph (1), item (iii) of the Order) of all shareholders, etc. of a commodity clearing organization);
- (vi) a document pledging that the commodity clearing organization does not fall under any of the provisions of Article 15, paragraph (2), item (i), sub-items (c) through (e) or sub-item (i) of the Act;

- (vii) a document specified as follows in accordance with the cases stated in each sub-item:
  - (a) when an officer is a foreign national: a copy of the residence certificate, etc., and a curriculum vitae of the officer, and a document pledging that the person does not fall under any of the provisions of Article 15, paragraph (2), item (i), sub-items (a) through (k) of the Act;
  - (b) when an officer is a corporation: a certificate of the registered information of the officer, a document stating the history of the corporation, and a document pledging that the person does not fall under the provisions of Article 15, paragraph (2), item (i), (l) of the Act;
  - (c) when an officer is neither a foreign national nor a corporation: a copy of the residence certificate, etc., and a curriculum vitae of the officer, a certification issued by a public agency that the person does not fall under the provisions of Article 15, paragraph (2), item (i), sub-item (b) of the Act, and a document pledging that the person does not fall under any of the provisions of sub-item (a) and sub-items (c) through (k) of that item;
- (viii) a document stating the status of securing employees who have the knowledge and experience relating to the business of assuming commodity transaction debts and the status of the assignment of those employees;
- (ix) when an organizational meeting has been held, the minutes of the organizational meeting;
- (x) a document stating the names or trade names of clearing participants, and the location of their principal office or head office;
- (xi) records prepared by clearing participants according to Form No. 1 within 30 days before date of filing the application for a license concerning the amount of their net assets;
- (xii) when an electronic data processing system is used for the business of assuming commodity transaction debts, a document stating the outline, installation location, capacity, and maintenance method of the electronic data processing system, and the method of handling in the case of malfunction of the electronic data processing system; and
- (xiii) documents stating other information to be used as a reference for authorization as to whether the organization conforms to the standards stated in Article 169, paragraph (1) of the Act.

(Submission of Doctor's Medical Certificates)

Article 66-2 When an application for the license under Article 167 of the Act is filed, and the competent minister finds it necessary for examining whether the license applicant falls under Article 15, paragraph (2), item (i), (l) of the Act (limited to the part related to (a) and (k)), the minister may request the applicant to submit a doctor's medical certificate stating the name of the



illness of the person subject to the examination, whether the person has any mental impairment and the level of mental impairment, causes of the illness, post-illness progress, prospects of recovery, and other remarks for reference.

(Application for Approval of Concurrent Business)

Article 67 (1) When a commodity clearing organization seeks to receive approval pursuant to the provisions of Article 170, paragraph (2) of the Act, a written application for approval that states the following information must be submitted to the competent minister:

- (i) the type of business seeking approval;
- (ii) the scheduled date of the commencement of the business.

(2) The following documents must be attached to the written application for approval referred to in the preceding paragraph:

- (i) a document stating the content and method of the business;
- (ii) a document stating the organization which has jurisdiction over the business and the assignment of personnel;
- (iii) a document stating the internal rules concerning the management of the business;
- (iv) a document stating the estimated income and expenditures for the three years after the commencement of the business.

(Notification of Discontinuation of Concurrent Business)

Article 68 In cases of submitting a notification pursuant to the provisions of Article 170, paragraph (3) of the Act, a commodity clearing organization must submit a written notification stating the following information:

- (i) the type of business that was approved based on the provisions of Article 170, paragraph (2) of the Act;
- (ii) the date of the discontinuation of the business; and
- (iii) the reason for the discontinuation of the business.

(Notifications of Changes to Amount of Stated Capital)

Article 69 (1) In cases of submitting a notification under the provisions of Article 171 of the Act, a commodity clearing organization must submit a written notification stating the following information:

- (i) the contents of the change; and
- (ii) the date of the change.

(2) The documents specified in the following items in accordance with the category stated in each of those items are to be attached to the written notification referred to in the preceding paragraph:

- (i) a change to the information stated in Article 168, paragraph (1), item (ii) or (iii) of the Act: a document stated in Article 66, item (i);

- (ii) a change to the information stated in Article 168, paragraph (1), item (v) of the Act: a document stated in Article 66, items (i) and (vii).

(Documents Attached to Written Applications for Approval of Concurrent Business of the Business of Assuming Commodity Transaction Debts of Commodity Exchanges)

Article 70 The documents specified by order of the competent ministry as referred to in Article 173, paragraph (3) of the Act are as follows:

- (i) a document stating the organization which has jurisdiction over the business of assuming commodity transaction debts, etc. (meaning the business of assuming commodity transaction debts, etc. prescribed in Article 170, paragraph (2) of the Act; the same applies below) and the assignment of personnel;
- (ii) a document stating the estimated income and expenditures for the three years after the commencement of the business of assuming commodity transaction debts, etc.;
- (iii) minutes of a general meeting of members or a shareholders meeting and other documents proving that necessary procedures have been taken;
- (iv) a document stating the names or trade names of the clearing participants, and the location of their principal office or head office;
- (v) a record prepared by the clearing participants according to Form No. 1 within 30 days before the filing of the application concerning the amount of their net assets; and
- (vi) when an electronic data processing system is used for the business of assuming commodity transaction debts, etc., a document stating the outline, installation location, capacity, and maintenance method of the electronic data processing system, and the method of handling in the case of malfunction of the electronic data processing system.

(Information to Be Entered in the Statement of Operational Methods)

Article 71 The information specified by order of the competent ministry as referred to in Article 175, paragraph (2), item (vii) of the Act is as follows:

- (i) when the business referred to in Article 170, paragraph (1) of the Act is operated, information concerning the business;
- (ii) when a business incidental to the business of assuming commodity transaction debts, etc. is operated, information concerning the business;
- (iii) when the business of assuming commodity transaction debts, etc. or another business related to the business of assuming commodity transaction debts, etc. is operated, information concerning the business;
- (iv) Regarding the basic contract related to commodity clearing transactions between a clearing participant who conducts commodity clearing

transactions and a member, etc., when the member, etc. seeks to close a transaction in the commodity market on behalf of a clearing participant, the fact of considering that the member, etc. applied for the commodity clearing transaction and the clearing participant has accepted consignment of the commodity clearing transaction;

- (v) when determining the clearing deposit prescribed in Article 180, paragraph (1) of the Act, information on the clearing deposit and its management method; and
- (vi) information concerning money, securities, and other things deposited for the purpose of settlement of delivery related to transactions in a commodity market.

#### (Methods of Depositing Clearing Margins)

Article 72 (1) When receiving a deposit of clearing margins, based on the provisions of Article 179, paragraph (1) of the Act, from a broker (meaning a broker prescribed in item (i), (b) of that paragraph; the same applies in this Article and the following Article below), a requesting party (meaning a requesting party prescribed in (b) of that item; the same applies below in this Article and the following Article), a brokerage requesting party (meaning a brokerage requesting party prescribed in (d) of that item; the same applies below in this Article and the following Article), a clearing broker (meaning a clearing broker prescribed in item (ii), (b) of that paragraph; the same applies below in this Article and the following Article), a clearing brokerage requesting party (meaning a brokerage requesting party prescribed in (b) of the same item; the same applies below in this Article and the following Article), or a requesting party that makes a request to the clearing broker (meaning a requesting party that makes a request to the clearing broker prescribed in (d) of that item; the same applies below in this Article and the following Article), a commodity clearing organization must designate the person specified in each of the following items as an agent in accordance with the category of cases stated in those items, and receive the deposit of the clearing margin:

- (i) when prescribed in Article 179, paragraph (1), item (i), (b) or (c) of the Act: the member, etc. that has been requested with the transaction;
- (ii) when prescribed in Article 179, paragraph (1), item (i), (d) of the Act: the broker related to the transaction and the member, etc. that has been requested with the transaction;
- (iii) when prescribed in Article 179, paragraph (1), item (ii), (a) of the Act: a clearing participant notified by the member, etc. as one that requests the commodity clearing transaction;
- (iv) when prescribed in Article 179, paragraph (1), item (ii), (b) or (c): the member, etc. who has accepted the brokerage of the consignment of the

- commodity clearing transaction and a clearing participant notified by the member, etc. as requesting the commodity clearing transaction; or
- (v) when prescribed in Article 179, paragraph (1), item (ii), (d) of the Act: a clearing broker related to the commodity clearing transaction, the member, etc. who has accepted the brokerage of the consignment of the commodity clearing transaction, and the clearing participant notified by the member, etc. as requesting the commodity clearing transaction.
- (2) When receiving a deposit of clearing margins, based on the provisions of Article 179, paragraph (1) of the Act, from a member, etc., a broker, or a clearing broker (excluding cases when a member, etc. conducts the transaction in the commodity market on their own account and where a clearing participant conducts the commodity clearing transaction on the account of the member, etc. who requested the transaction), a commodity clearing organization must consider that a person specified in the following items in accordance with the category of cases stated in each of those items holds a right to claim a return against the clearing margins (limited to within the scope of the amount of customer margins, brokerage margins, or clearing brokerage margins deposited by the person specified in the respective items):
- (i) when a member, etc. received a deposit of a customer margin from a requesting party and deposited the clearing margin with a commodity clearing organization: the requesting party;
- (ii) when a member, etc. received a deposit of a customer margin from a broker (limited to a person that received a deposit of a brokerage margin from a brokerage requesting party) or received a deposit of a customer margin from a brokerage requesting party and deposited the clearing margin with a commodity clearing organization: the brokerage requesting party;
- (iii) when a broker received a deposit of a brokerage margin from a brokerage requesting party and deposited the clearing margin with a commodity clearing organization: the brokerage requesting party;
- (iv) when a member, etc. received a deposit of a customer margin from a clearing brokerage requesting party and deposited the clearing margin with a commodity clearing organization: the clearing brokerage requesting party;
- (v) when a member, etc. received a deposit of a customer margin from a clearing broker (limited to a person that received a deposit of a clearing brokerage margin from the requesting party that makes a request to the clearing broker) or a requesting party that makes a request to the clearing broker and deposited a clearing margin with a commodity clearing organization: the requesting party that makes a request to the clearing broker; or
- (vi) when a clearing broker received a deposit of a clearing brokerage margin from a requesting party that makes a request to the clearing broker and

deposited the clearing margin with a commodity clearing organization: the requesting party that makes a request to the clearing broker.

(Consent of Requesting Parties Related to Deposits of Customer Margins)

- Article 73 (1) When a member, etc. requests a requesting party, a broker or a brokerage requesting party, or a clearing brokerage requesting party, a clearing broker, or a requesting party that makes a request to the clearing broker (referred to below as a "requesting party, etc." in this Article) to deposit a customer margin, a written consent for depositing the customer margin with the member, etc. must be obtained by the member, etc. from the requesting party, etc., pursuant to the provisions of Article 179, paragraph (2) of the Act.
- (2) A member, etc., when having a brokerage requesting party deposit a customer margin pursuant to the provisions of Article 179, paragraph (2) of the Act, the member, etc. must receive the deposit of the customer margin by appointing as an agent, the broker who has accepted the brokerage of consignment of transactions in a commodity market from the brokerage requesting party, and by appointing as an agent, a clearing broker who has accepted the brokerage of consignment for brokerage of the consignment of commodity clearing transactions from a requesting party that makes a request to the clearing broker when having the requesting party that makes a request to the clearing broker deposit the customer margin pursuant to the provisions of that paragraph.
- (3) When having a brokerage requesting party to deposit a clearing margin, a broker must obtain a written consent for depositing the clearing margin with them from the brokerage requesting party, pursuant to the provisions of Article 179, paragraph (3) of the Act.
- (4) When having a requesting party that makes a request to the clearing broker deposit a clearing brokerage margin, a clearing broker must obtain a written consent for depositing the clearing brokerage margin with them from the requesting party that makes a request to the clearing broker, pursuant to the provisions of Article 179, paragraph (4) of the Act.
- (5) The provisions of Article 41, paragraphs (3) through (7) apply mutatis mutandis to the written consent of a requesting party, etc., a brokerage requesting party, and a requesting party that makes a request to the clearing broker under the provisions of paragraph (1) and the preceding two paragraphs.

(Separate Management of Clearing Margins at Commodity Clearing Organizations)

- Article 74 (1) When a commodity clearing organization manages clearing margins based on the provisions of Article 103, paragraph (4) of the Act as applied mutatis mutandis pursuant to Article 179, paragraph (5) of the Act, the

clearing margins are managed separately from its own property and property other than that of the clearing margins for each of the categories stated in the following items, and by each member, etc.:

- (i) when stated in Article 179, paragraph (1), item (i), (a) of the Act in which a member, etc. conducts transactions in a commodity market on their own account, the clearing margins deposited by the member, etc. based on the provisions of that paragraph;
  - (ii) when stated in Article 179, paragraph (1), item (i), (a) of the Act in which a member, etc. conducts transactions in a commodity market which the member, etc. has been requested by receiving a deposit of customer margins based on the provisions of paragraph (2) of that Article, the clearing margins deposited by the member, etc. based on the provisions of paragraph (1) of that Article;
  - (iii) when stated in Article 179, paragraph (1), item (i), (b) or (d) of the Act, the clearing margins deposited by a requesting party or a brokerage requesting party based on the provisions of that paragraph;
  - (iv) when stated in Article 179, paragraph (1), item (i), (c) of the Act, the clearing margins deposited by a broker based on the provisions of that paragraph;
  - (v) when stated in Article 179, paragraph (1), item (ii), (a) of the Act in which a member, etc. conducts transactions in a commodity market on their own account, the clearing margins (excluding the clearing margins referred to in the following item) deposited by the member, etc. based on the provisions of that paragraph;
  - (vi) when stated in Article 179, paragraph (1), item (ii), (a) of the Act in which a member, etc. conducts transactions in a commodity market which the member, etc. has been requested by receiving a deposit of customer margins based on the provisions of paragraph (2) of that Article, the clearing margins deposited by the member, etc. based on the provisions of paragraph (1) of that Article;
  - (vii) when stated in Article 179, paragraph (1), item (ii), (b) or (d) of the Act, the clearing margins deposited by a clearing brokerage requesting party or a requesting party that makes a request to the clearing broker based on the provisions of that paragraph; or
  - (viii) when stated in Article 179, paragraph (1), item (ii), (c) of the Act, the clearing margins deposited by a clearing broker based on the provisions of that paragraph.
- (2) When managing clearing margins based on the provisions of Article 103, paragraph (4) of the Act as applied mutatis mutandis pursuant to Article 179, paragraph (5) of the Act, a commodity clearing organization must manage the clearing margins by the following methods, excluding those managed based on

the provisions of the following paragraph:

- (i) by depositing the margins in a bank account (limited to deposit accounts that are clearly identifiable as clearing margins by the account name);
  - (ii) by creating a money trust with financial institutions engaging in trust business (limited to one with a contractual agreement for compensation of the principal pursuant to the provisions of Article 6 of the Act on Engagement in Trust Business by Financial Institutions and that is clearly identifiable as clearing margin by the account name); or
  - (iii) by holding Japanese government bonds, local government bonds, or government guaranteed bonds.
- (3) When managing securities, etc. for allocation (meaning the securities and warehouse receipts (referred to below as the "securities, etc." in this Article) which are allocated to clearing margins pursuant to the provisions of Article 103, paragraph (5) of the Act as applied mutatis mutandis pursuant to Article 179, paragraph (6); the same applies below in this Article) based on the provisions of Article 103, paragraph (4) of the Act as applied mutatis mutandis pursuant to Article 179, paragraph (5) of the Act, a commodity clearing organization must manage the securities, etc. for allocation by the methods specified in the following items in accordance with the category of securities, etc. stated in each of those items:
- (i) securities, etc. managed by a commodity clearing organization by retaining them (excluding securities which are commingled and retained; the same applies in the following item): a management method by which the location for the retention of securities, etc. for allocation is clearly separate from that for the securities of a person's own property and other securities, etc. than that for the securities, etc. for allocation (referred to below as the "clearing organization's proprietary securities, etc." in this Article), and the securities, etc. for allocation are retained in a condition that is immediately distinguishable as to which member, etc. deposited the securities, etc. or through which member, etc. the securities, etc. have been deposited;
  - (ii) securities, etc. managed by a commodity clearing organization by having a third party retain them: a management method by which the commodity clearing organization has a third party to have the location for the retention of securities, etc. for allocation clearly separate from that for securities, etc. of a clearing organization's proprietary securities, etc., and to retain the securities, etc. for allocation in a condition that is immediately distinguishable as to which member, etc. deposited the securities, etc. or through which customer the securities, etc. have been deposited;
  - (iii) securities, etc. managed by a commodity clearing organization by retaining them (limited to the securities, etc. which are commingled and retained; the same applies in the following item): a management method by which the

location for the retention of securities, etc. for allocation is clearly separate from that for the securities, etc. of a clearing organization's proprietary securities, etc., and the equity interests related to securities, etc. for allocation deposited by each member, etc. or through each member, etc. are retained in a condition that is easily distinguishable from their own books; or (iv) securities, etc. managed by a commodity clearing organization by having a third party retain them: a management method by which the commodity clearing organization has a third party retain the account for a person that deposits the securities, etc. for allocation separate from the commodity clearing organization's own account, in which the equity interests related to securities, etc. for allocation are immediately distinguishable, and the equity interests related to securities, etc. for allocation deposited by each member, etc. or through each member, etc. are immediately distinguishable from their own books.

(Application for Authorization for Changes to Articles of Incorporation or the Statement of Operational Methods)

Article 75 (1) When seeking to obtain authorization pursuant to the provisions of Article 182 of the Act, a commodity clearing organization must submit a written application for authorization stating the following information to the competent minister:

- (i) the content of the change; and
- (ii) the scheduled date of the change.

(2) The written application for authorization referred to in the preceding paragraph must have the following documents attached:

- (i) a document stating the reasons for the change;
- (ii) a comparative table of the prior and amended provisions;
- (iii) in cases of a written application for authorization of a change to the articles of incorporation, the minutes of a shareholders meeting (in cases of a member commodity exchange which has been approved based on the provisions of Article 173, paragraph (1) of the Act, a general meeting of members) and other documents proving that necessary procedures have been taken; and
- (iv) in cases of a written application for approval of a change to the statement of operational methods, a document proving that the procedures for changes specified by the articles of incorporation and other rules have been completed.

(Standard for Authorizing Changes to Articles of Incorporation or the Statement of Operational Methods)

Article 76 When an application for authorization based on the provisions of Article 182 of the Act has been filed, the competent minister must examine



whether the application conforms to laws and regulations, and is sufficient for operating the business appropriately and reliably.

(Application for Approval Related to Resolutions of Discontinuation or Dissolution of the Business of Assuming Commodity Transaction Debts)

Article 77 When seeking to obtain authorization for a resolution of the discontinuation or dissolution of the business of assuming commodity transaction debts pursuant to the provisions of Article 183 of the Act, a commodity clearing organization is to attach the following documents to the written application for authorization and submit them to the competent minister:

- (i) a document stating the reasons for the discontinuation or dissolution;
- (ii) the minutes of a shareholders meeting (in cases of a member commodity exchange which has been approved based on the provisions of Article 173, paragraph (1) of the Act, a general meeting of members) and other documents proving that necessary procedures have been taken;
- (iii) the financial statements, etc. for the immediately preceding business year and their annexed detailed statements; and
- (iv) a document stating the method of completing the business of assuming commodity transaction debts.

Article 78 Deleted

(Information to Be Entered in Written Applications for Licenses of Commodity Derivatives Brokers)

Article 79 The information specified by order of the competent ministry as referred to in Article 192, paragraph (1), item (vi) of the Act is the following information:

- (i) the amount of the stated capital, the total amount of investment, or the total amount of funds;
- (ii) when receiving a request of transactions, etc. in commodity markets (excluding commodity clearing transactions) or transactions, etc. in foreign commodity markets (among foreign commodity market transactions, excluding those similar to commodity clearing transactions), the commodity market or foreign commodity market related to the receipt of the request (including the name or trade name of the commodity exchange establishing the commodity market or the foreign commodity market establisher establishing the foreign commodity market);
- (iii) in cases when the acts stated in Article 2, paragraph (22), item (i) or (ii) are performed in the course of trade at a business office or office in Japan, the name of the requesting party protection fund to be joined; and

- (iv) the name of a commodity futures association (meaning a commodity futures association prescribed in Article 241, paragraph (1) of the Act; referred to below as an "association") to be joined.

(Documents Attached to Written Applications for Licenses of Commodity Derivatives Business)

Article 80 (1) The documents specified by order of the competent ministry as referred to in Article 192, paragraph (2) of the Act are the following documents (in cases of documents certified by a public agency, limited to those prepared within three months before the date of filing the application for a license) excluding the cases specified in the following paragraph:

- (i) the articles of incorporation (in cases of a foreign corporation, a document equivalent to articles of incorporation);
- (ii) a certificate of the registered information (in cases of a foreign corporation, a document equivalent to a certificate of the registered information and a certificate of the registered information for the principal business office or office in Japan);
- (iii) the financial statements, etc. for the immediately preceding business year and their annexed detailed statements (when these documents have not been prepared, documents equivalent to them);
- (iv) a document pledging that the person does not fall under any of the provisions of Article 15, paragraph (2), item (i), sub-items (c) through (e), or sub-item (i) of the Act;
- (v) a document specified as follows in accordance with the cases stated in each sub-item:
  - (a) when an officer is a foreign national: a copy of the residence certificate, etc., and a curriculum vitae of the officer, and a document pledging that the person does not fall under any of the provisions of Article 15, paragraph (2), item (i), sub-items (a) through (k) of the Act; and
  - (b) when an officer is a corporation: a certificate of the registered information of the officer (in cases of a foreign corporation, a document equivalent to the certificate of the registered information), a document stating the history of the corporation, and a document pledging that the officer does not fall under the provisions of Article 15, paragraph (2), item (i), (l) of the Act; or
  - (c) when an officer is neither a foreign national nor a corporation: a copy of the residence certificate, etc. and a curriculum vitae of the officer, a certification issued by a public agency proving that the person does not fall under the provisions of Article 15, paragraph (2), item (i), (b) of the Act, and a document pledging that the person does not fall under any of the provisions of sub-item (a) and sub-items (c) through (k) of that item;

- (vi) a document stating the method for executing the commodity derivatives business;
- (vii) a document stating the personnel structure and the system for conducting business of the organization, etc. concerning the commodity derivatives business;
- (viii) a document stating the type of transactions and the commodities and commodity indices underlying the transactions;
- (ix) a record concerning the amount of net assets of that entity, prepared according to Form No. 1;
- (x) a document stating the outline of the organization that performs the operations involving internal control and the method for addressing complaints and inquiries from customers, prepared according to Form No. 3;
- (xi) when an electronic data processing system is used for commodity derivatives business, documents stating the outline, installation location, capacity, and maintenance method of the electronic data processing system, and the method of handling in the case of malfunction of the electronic data processing system;
- (xii) a document stating the number of employees who have been sentenced to imprisonment or severer punishment (including an equivalent punishment under the laws and regulations of a foreign country for a business equivalent to a commodity derivatives business in the foreign country) or to a fine pursuant to this Act or equivalent laws and regulations of a foreign country (including an equivalent punishment under the laws and regulations of a foreign country), or who have been rendered a disposition based on the provisions of the Act with regard to commodity derivatives business within the last five years, and the name, date of birth, and address of those employees, the name of the business office or department to which the employees are assigned, their official title, whether or not the employees have been registered as a sales representative, the date when and the reasons that the employees were punished by the punishment or fine, or rendered the disposition, and the content of the punishment, fine, or disposition;
- (xiii) a document stating the estimated income and expenditures of a commodity derivatives business for the business year that includes the day on which commodity derivatives business is scheduled to commence and the two business years following the business year after that business year, the commodity derivatives business plan, and a document stating the basis for the estimation and the plan;
- (xiv) a document stating the estimated amount of the net assets and the net assets regulation ratio (or the amount of net assets, in cases when the applicant is a person stated in the items of Article 28 of the Order) for the

- business year that includes the day on which commodity derivatives business is scheduled to commence and the two business years following the business year after that business year, and a document stating the basis for the estimation;
- (xv) a document stating the names or trade names and addresses or locations of the top 10 shareholders or members, or other investors (referred to as "shareholders, etc." in this item below) in number of voting rights held (meaning voting rights of all shareholders, all company members, and all members, or all association members; the same applies in this item and Article 82 below), the proportion of voting rights held to the total number of voting rights, and the relationships with the applicant (limited to cases in which the shareholders, etc. are officers or employees of the applicant, or the parent company, a subsidiary company, or an affiliated company, or their officers or employees);
  - (xvi) a record concerning an outline of the concurrent business prescribed in Article 196, paragraph (1) of the Act, prepared according to Form No. 4;
  - (xvii) a record concerning an outline of the controlling relationships with other corporations prescribed in Article 196, paragraph (2) of the Act, prepared according to Form No. 5; and
  - (xviii) the following documents, when the acts stated in Article 2, paragraph (22), item (v) of the Act are to be performed in the course of trade:
    - (a) a curriculum vitae of the person responsible for the management of the business;
    - (b) internal rules concerning the business;
    - (c) a document stating the name of the department and the structure of the organization performing the business;
    - (d) a document stating the standard for initiation of a transaction with a customer related to the business; and
    - (e) the written contract to be used when conducting transactions with a customer related to the business.
- (2) In seeking to obtain a renewal of the license under Article 190, paragraph (2) of the Act, in addition to the documents stated in the preceding paragraph, the documents specified by order of the competent ministry as referred to in Article 190, paragraph (2) are as follows:
- (i) a document prepared according to Form No. 6 stating the causes and status of a litigation or mediation.
  - (ii) a document stating the results of income and expenditures of the commodity derivatives business;
  - (iii) when the entity has been rendered a disposition based on an audit by an association, requesting party protection fund, commodity exchange, or commodity clearing organization, a document stating the name of the

organization that conducted the audit, the time of the audit, the date of the disposition, and the content of the disposition as well as the content of the improvement measures.

(Submission of Doctor's Medical Certificates)

Article 80-2 The competent minister may request an applicant to submit a doctor's medical certificate stating the name of the illness of the person subject to the examination, whether the person has any mental impairment and the level of mental impairment, causes of the illness, post-illness progress, prospects of recovery, and other remarks for reference when the application for the license under Article 190, paragraph (1) of the Act has been filed, and the minister finds it necessary to do so for examining whether the license applicant falls under Article 15, paragraph (2), item (i), (l) of the Act (limited to the part related to sub-items (a) and (k)).

(Base Value of the Net Assets Amount)

Article 81 The amount specified by order of the competent ministry as referred to in Article 193, paragraph (2) of the Act is 100 million yen.

(Matters Requiring Notification)

Article 82 (1) The cases specified by order of the competent ministry as referred to in Article 195, paragraph (1), item (v) of the Act are the following cases:

- (i) when a commodity derivatives business operator has come to know that a petition has been filed for the commencement of bankruptcy proceedings, rehabilitation proceedings, or reorganization proceedings;
- (ii) when the articles of incorporation have been changed (in cases of a foreign corporation, a document equivalent to articles of incorporation);
- (iii) when the majority of the voting rights of the all shareholders, etc. (meaning all shareholders, all company, all members, or all association members; the same applies in item (xiii), (b) of the following paragraph) of a commodity derivatives business operator has come to be held by another corporation or other organizations;
- (iv) when the method for executing the commodity derivatives business has been changed;
- (v) when the type of transaction or the commodities or commodity indices underlying the transaction have been changed;
- (vi) when a concurrent business stated in the record listed in Article 80, paragraph (1), item (xvi) has been discontinued;
- (vii) when the content of the record stated in Article 80, paragraph (1), item (xvii) has changed, or when a controlling relationship has extinguished;
- (viii) when business related to intermediation prescribed in the items of Article

- 2, paragraph (22) has been requested to a commodity derivatives intermediary service provider, or when a commodity derivatives business operator has ceased to request the business; and
- (ix) when the amount of the net assets of a commodity derivatives business operator has become lower than the amount of stated capital.
- (2) The documents specified by order of the competent ministry as referred to in Article 195, paragraph (2) of the Act are those specified in the following items in accordance with the category of cases stated in each of those items (in cases of documents certified by a public agency, limited to those prepared within three months before the notification):
- (i) when the information stated in Article 192, paragraph (1), item (i) of the Act is changed: a certificate of registered information (in cases of a foreign corporation, a document equivalent to a certificate of registered information; the same applies below in this paragraph);
  - (ii) when the information stated in Article 192, paragraph (1), item (iii) of the Act is changed: a certificate of registered information;
  - (iii) when the information stated in Article 192, paragraph (1), item (iv) of the Act (excluding the address of an officer) is changed: the following documents:
    - (a) a certificate of registered information;
    - (b) a document specified as follows in accordance with the cases stated in each sub-item:
      - 1. when a newly appointed officer is a foreign national: a copy of the residence certificate, etc. and a curriculum vitae of the officer, and a document pledging that the person does not fall under any of the provisions of Article 15, paragraph (2), item (i), sub-items (a) through (k) of the Act;
      - 2. when a newly appointed officer is a corporation: a certificate of the registered information of the officer, a document stating the history of the corporation, and a document pledging that the officer does not fall under the provisions of Article 15, paragraph (2), item (i), (l) of the Act; or
      - 3. when a newly appointed officer is neither a foreign national nor a corporation: a copy of the residence certificate, etc. and a curriculum vitae of the officer, a certification issued by a public agency proving that the person does not fall under the provisions of Article 15, paragraph (2), item (i), (b) of the Act, and a document pledging that the person does not fall under any of the provisions of sub-item (a) and sub-items (c) through (k) of that item; or
    - (c) a document stating the personnel structure and the system for conducting business of the organization, etc. concerning the commodity derivatives business.

- (iv) when the information stated in Article 192, paragraph (1), item (v) of the Act has been changed: the following documents:
  - (a) a document stating the content of the change, the date of the change, and the reason for the change;
  - (b) a document stating the personnel structure and the system for conducting business of the organization, etc. concerning the commodity derivatives business; and
  - (c) when the acts stated in Article 2, paragraph (22), item (v) of the Act are to be newly performed in the course of trade: the following documents:
    - 1. a curriculum vitae of the person responsible for the management of the business;
    - 2. internal rules concerning the business;
    - 3. a document stating the name of the department and the structure of the organization performing the business;
    - 4. a document stating the standard for initiation of a transaction with a customer related to the business; and
    - 5. a written contract to be used when conducting transactions with a customer related to the business.
- (v) when the total amount of stated capital, the total amount of investment, or the total amount of funds has been changed: the following documents:
  - (a) a document stating the total amount of stated capital, the total amount of investment, and the total amount of funds before the change and after the change, the method for the change, and the reason for the change; and
  - (b) a certificate of registered information.
- (vi) when a change is made in the commodity market or foreign commodity market (including the name or trade name of the commodity exchange establishing the commodity market or the foreign commodity market establisher establishing the foreign commodity market) related to the entrustment of transactions, etc. in a commodity market (excluding commodity clearing transactions; the same applies in (a)) or transactions, etc. in a foreign commodity market (excluding transactions similar to commodity clearing transactions among foreign commodity market transactions): the following documents:
  - (a) a document stating the changed name of the commodity market related to the entrustment of transactions, etc. in a commodity market or transactions, etc. in a foreign commodity market (including the name or trade name of the commodity exchange establishing the commodity market or the foreign commodity market establisher establishing the foreign commodity market) and the date of the change; and
  - (b) minutes of the board of directors (including equivalent organs) and other documents proving that necessary procedures have been taken.

- (vii) when joining or withdrawing from a requesting party protection fund: the following documents:
  - (a) a document stating the name of the requesting party protection fund joined or withdrawn from and the date of joining or withdrawing from the fund;
  - (b) minutes of the board of directors (including equivalent organs) and other documents proving that necessary procedures have been taken;
- (viii) when joining or withdrawing from an association: the following documents:
  - (a) a document stating the name of the association joined or withdrawn from and the date of joining or withdrawing from the association;
  - (b) minutes of the board of directors (including equivalent organs) and other documents proving that necessary procedures have been taken.
- (ix) when the commodity derivatives business is commenced, suspended, or resumed: the following documents:
  - (a) a document stating the fact that the commodity derivatives business has been commenced, suspended, or resumed, the duration of suspension or the date of commencing or resuming the business, and the reason for suspending or resuming the business; and
  - (b) a document stating the method for processing the accounts of a requesting party, etc. during the period of suspension (excluding cases of commencing and resuming the business).
- (x) when a petition has been filed for the commencement of bankruptcy proceedings, rehabilitation proceedings, or reorganization proceedings: the following documents:
  - (a) a document stating the date on which the petition for the commencement of bankruptcy proceedings, rehabilitation proceedings, or reorganization proceedings was filed and the reason for filing the petition; and
  - (b) a copy of the document related to the filing of the petition for the commencement of bankruptcy proceedings, rehabilitation proceedings, or reorganization proceedings.
- (xi) when stated in item (i) of the preceding paragraph: the following documents:
  - (a) a document stating the date on which the petition for the commencement of bankruptcy proceedings, rehabilitation proceedings, or reorganization proceedings was filed, the name or trade name of the entity filing the petition, and the reason for filing the petition; and
  - (b) a copy of a document related to the filing of the petition for the commencement of bankruptcy proceedings, rehabilitation proceedings, or reorganization proceedings.
- (xii) when stated in item (ii) of the preceding paragraph: the following



- documents:
- (a) a document stating the content of the change, the date of the change, and the reason for the change;
  - (b) a comparison table of the prior and amended provisions;
  - (c) minutes of the shareholders meeting (including equivalent organs) and other documents proving that necessary procedures have been taken.
- (xiii) when stated in item (iii) of the preceding paragraph: the following documents:
- (a) a document stating the trade name or name of another corporation or other organizations and the date on which the voting rights came to be held;
  - (b) a document stating the number of voting rights held and the proportion of the number of the voting rights out of the voting rights of all shareholders, etc.;
  - (c) a document stating an outline of the business of another corporation or other organizations holding the voting rights.
- (xiv) when stated in item (iv) of the preceding paragraph: the following documents:
- (a) a document stating the content of the change, the date of the change, and the reason for the change; and
  - (b) a document stating the method for executing the commodity derivatives business after the change.
- (xv) when stated in item (v) of the preceding paragraph: the following documents:
- (a) a document stating the content of the change, the date of the change, and the reason for the change; and
  - (b) a document stating the type of transaction or the commodities and commodity indices underlying the transactions after the change.
- (xvi) when stated in item (vi) of the preceding paragraph: a document stating the trade name or name of the commodity derivatives business operator and the date of discontinuation;
- (xvii) when stated in item (vii) of the preceding paragraph: a document stating the trade name or name of the commodity derivatives business operator, the content changed or extinguished, and the date of change or extinguishment;
- (xviii) when stated in item (viii) of the preceding paragraph, the case in which business has been entrusted to a commodity derivatives intermediary service provider: the following documents:
- (a) a document stating the name or trade name of the commodity derivatives intermediary service provider;
  - (b) a document stating the location of the head office, etc. (meaning the head office, etc. prescribed in Article 32, paragraph (2) of the Order; the same

applies below) of the commodity derivatives intermediary service provider;  
and

(c) a copy of the written contract concerning consignment of business; or  
(xix) in the case stated in item (viii) of the preceding paragraph, the case in which consignment of business to a commodity derivatives intermediary service provider has been terminated: the following documents:

(a) a document stating the name or trade name of the commodity derivatives intermediary service provider; and

(b) a document stating the date on which consignment of business has been terminated and the reason for the termination.

(3) The provisions of Article 38 apply mutatis mutandis to the amount of net assets referred to in paragraph (1), item (ix).

#### (Notifications of Concurrent Businesses)

Article 83 (1) When submitting a notification of the intent to conduct a concurrent business pursuant to the provisions of Article 196, paragraph (1) of the Act, a commodity derivatives business operator must submit a written notification prepared according to Form No. 7 concerning the concurrent business. The same applies when seeking to change the matters notified or when the concurrent business has been discontinued.

(2) When a commodity derivatives business operator submits a notification pursuant to the provisions of Article 196, paragraph (1) of the Act, when submitting a notification of the intent to conduct a concurrent business and the intent to change the matters notified, the business operator must submit a notification in advance, and when the concurrent business has been discontinued, they must file the notification referred to in the preceding paragraph without delay after discontinuing the concurrent business.

#### (Relationships that Enable Substantial Control)

Article 84 The relationships specified by order of the competent ministry as referred to in Article 196, paragraph (2) of the Act are the following relationships:

(i) a relationship with a subsidiary company; and

(ii) a relationship with an affiliated company.

#### (Notifications of Controlling Relationships)

Article 85 When a commodity derivatives broker provides notification of having acquired a controlling interest over another corporation pursuant to the provisions of Article 196, paragraph (2) of the Act, the broker must submit a written notification prepared according to Form No. 8 related to an outline of the other corporation over which a controlling interest has been acquired,

pursuant to the provisions of Article 196, paragraph (2) of the Act. The same applies when a change occurs in the notified matters, or when the controlling interest ceases to exist.

Article 86 Deleted

Article 87 Deleted

Article 88 Deleted

(Notifications of Discontinuation of Business)

Article 89 A person that provides a notification pursuant to the provisions of Article 197, paragraph (1) of the Act must submit a written notification to the competent minister stating the information specified in the center column of the following table with the documents specified in the right column of that table attached, in accordance with the category stated in the left column of that table.

Matters Requiring Notification	Matters to Be Stated	Attached Documents
In the case of discontinuing commodity derivatives business	(i) Date of discontinuation	(i) Minutes of the shareholders meeting (including an equivalent organization) or other document certifying that the necessary procedures have been taken
	(ii) Reasons for discontinuation	(ii) A document stating the clearing method of claims and debts to requesting parties, etc.
When a corporation has been extinguished by merger	(i) Trade name or name of the other party to the merger	A document stating the succession method of claims and debts to requesting parties, etc. to the corporation surviving the merger
	(ii) Date of the merger	
In the case of dissolution by order commencing bankruptcy proceedings	(i) Date of filing of bankruptcy proceedings	(i) A copy of the public notice issued by a court of the order for commencing bankruptcy proceedings

	(ii) Date that order for commencing bankruptcy proceedings has been given	(ii) A document stating the clearing method of claims and debts to requesting parties, etc.
In the case of dissolution for a reason other than a merger or order for commencement of bankruptcy proceedings	(i) Date of dissolution	(i) Minutes of the shareholders meeting (including an equivalent organization) or other document certifying that the necessary procedures have been taken
	(ii) Reasons for dissolution	(ii) A document stating the clearing method of claims and debts to consignors, etc.
In the case of succession of all or part of the commodity derivatives business by a split	(i) Name or trade name of the successor	(i) A document stating the succession method of claims and debts to requesting parties, etc. to the successor
	(ii) Date and reasons for the split	(ii) A document stating the content of the incorporation-type split plan or absorption-type split agreement and the split procedures
In the case of transfer of all or a part of the commodity derivatives business	(i) Name or trade name of the transferee	(i) A document stating the succession method of claims and debts to requesting parties, etc. to the transferee
	(ii) Date and reasons for the transfer	(ii) A document stating the content of the business transfer agreement

- Article 90 (1) A public notice pursuant to the provisions of Article 197, paragraph (3) of the Act is to be given by the Official Gazette, in a daily newspaper which publishes matters on current events, or by an electronic public notice.
- (2) When a commodity derivatives broker gives a public notice by an electronic public notice referred to in the preceding paragraph, the public notice must be continuously given by the electronic public notice until the date on which one month has elapsed from commencing the public notice.
- (3) A public notice pursuant to the provisions of Article 197, paragraph (3) of the Act or a notice posted at the business office or office of the commodity

derivatives broker must indicate the method of completing transactions in a commodity market on the requesting party's accounts as prescribed in paragraph (5) of that Article, and the method of returning the property deposited by requesting parties with regard to commodity derivatives business and the property which is held by the commodity derivatives broker on the requesting party's accounts.

- (4) In cases of giving a notification pursuant to the provisions of Article 197, paragraph (4) of the Act, the written notification must state the following information:
- (i) trade name or name of the commodity derivatives broker;
  - (ii) date of receiving the license;
  - (iii) the grounds on which the public notice was filed; and
  - (iv) the scheduled date of the occurrence of the grounds for filing the public notice.
- (5) A written notification referred to in the preceding paragraph must be attached with a document stating the method prescribed in paragraph (3).

(Information to Be Stated in Documents to Be Delivered to Eligible Requesting Parties That Made Requests)

Article 90-2 The information specified by order of the competent ministry as referred to in Article 197-4, paragraph (3), item (iii) of the Act is the following information:

- (i) the fact that the requester (meaning the requester prescribed in Article 197-4, paragraph (3) of the Act; the same applies in the following item) will be treated as a general customer (meaning a general customer prescribed in paragraph (1) of that Article; the same applies below) in relation to the commodity transaction contract only by the commodity derivatives broker that has given approval pursuant to provisions of paragraph (2) of that Article;
- (ii) the fact that with regard to commodity transaction contracts to be entered into on or after the approval date (meaning the approval date prescribed in Article 197-4, paragraph (3) of the Act) with other commodity derivatives brokers by the commodity derivatives broker on behalf of the requester based on the commodity transactions contract, the requester will also be treated as a general customer by the other commodity derivatives brokers.

(Means of Using Information Communication Technology)

Article 90-3 (1) The means prescribed by order of the competent ministry as referred to in Article 197-4, paragraph (4) (including as applied mutatis mutandis pursuant to Article 197-5, paragraph (13) (including as applied mutatis mutandis pursuant to Article 197-6, paragraph (6) and Article 197-9,

paragraph (2) of the Act), Article 197-6, paragraph (3) and Article 197-8, paragraph (2) of the Act; the same applies below in this Article) and Article 217, paragraph (2) (including as applied *mutatis mutandis* pursuant to Article 220, paragraph (2) and Article 220-2, paragraph (2) of the Act; the same applies below in this Article) are the following means (referred to as "electronic or magnetic means" in Article 109-2):

(i) the following means that use an electronic data processing system:

(a) the means of transmitting the information to be stated in a document (referred to below as "stated information" in this Article) via a telecommunication line connecting a computer used by the commodity derivatives broker, etc. (meaning the commodity derivatives broker or a person that stores files on a computer managed by them pursuant to a contract with the commodity derivatives broker, and provides the files for use by the counterpart (referred to below as "customer" in this Article) to whom the information prescribed in Article 197-4, paragraph (4) or Article 217, paragraph (2) of the Act is to be provided or notified; the same applies below in this Article) with a computer used by the customer (meaning the customer or the person that stores customer files (meaning files exclusively used by the customer; the same applies below in this Article) on a computer managed by them pursuant to a contract with the customer; the same applies below in this Article) and recording the information in a customer file stored on the computer used by the customer, etc.;

(b) the means of providing the stated information recorded in a file stored on a computer used by the commodity derivatives broker, etc. via a telecommunication line for inspection by the customer and recording the stated information in a customer file of the customer stored on a computer used by the customer;

(c) the means of providing the stated information recorded in a customer file stored on a computer used by the commodity derivatives broker, etc. for inspection by the customer via a telecommunication line;

(d) the means of providing the stated information recorded in a file for inspection (meaning a file stored on a computer used by the commodity derivatives broker, etc. to record the stated information for the purpose of making it available for inspection by multiple customers at the same time; the same applies below in this Article) for inspection by customers via a telecommunication line.

(ii) the means of delivering a file recording the stated information which is prepared using an electronic or magnetic recording medium.

(2) The means stated in the items of the preceding paragraph must comply with the following standards:

(i) the customer is able to create a document by outputting the record in the

- file;
- (ii) for the means stated in (a), (b), or (c) of item (i) of the preceding paragraph (excluding the means of recording the stated information in a customer file stored on a computer used by a customer), the fact that the stated information is to be recorded or has been recorded in a customer file or a file for inspection is notified to the customer; provided, however, that this does not apply if the fact that the customer has inspected the stated information has been confirmed;
  - (iii) for the means stated in (c) or (d) of item (i) in the preceding paragraph, the following information cannot be deleted or altered for 5 years from the date on which the last transaction listed in the stated information was conducted (when a complaint is made related to the stated information during the period until the date on which that term ends, until the date on which the term enters into or the complaint is resolved, whichever comes later); provided, however, that when the stated information provided for inspection is delivered in writing, the stated information may be deleted with the consent of the customer (meaning consent given by a means prescribed in Article 24, paragraph (1) or Article 31, paragraph (1) of the Order) when the stated information is provided or notified by the means stated in item (i), (a) or (b) or item (ii) of the preceding paragraph, or if an instruction is given by the customer to delete the stated information:
    - (a) for the means stated in item (i), (c) of the preceding paragraph, the stated information recorded in a customer file;
    - (b) for the means stated in item (i), (d) of the preceding paragraph, the stated information recorded in a file for inspection;
  - (iv) the means stated in item (i), (d) of the preceding paragraph must conform to the following standards:
    - (a) necessary information for a customer to inspect the file for inspection must be recorded in the customer file;
    - (b) to maintain the state in which the customer file recording the necessary information for a customer to inspect the file for inspection pursuant to provisions of sub-item (a) and the file for inspection is connectable via a telecommunication line for the duration until the term prescribed in the preceding item elapses; provided, however, that this does not apply if the customer who has been given access to the file for inspection has notified that it is not necessary to maintain the connection.
- (3) The term "electronic data processing system" as used in paragraph (1), item (i) means an electronic data processing system that connects the computer used by the commodity derivatives broker, etc. with the computer used by the customer who has stored the customer file or by the commodity derivatives broker, etc. via a telecommunication line.

(Type and Content of Electronic or Magnetic Means)

Article 90-4 The type and content of the means to be indicated pursuant to provisions of Article 24, paragraph (1), Article 25, paragraph (1), Article 27, paragraph (1), and Article 30, paragraph (1) of the Order are as follows:

- (i) among the means stated in the items of paragraph (1) of the preceding Article or the items of Article 90-6, paragraph (1), those to be used by the commodity derivatives broker;
- (ii) the method of recording information in a file

(Information to Be Stated in Documents Indicating Consent by Persons That Made the Request for Reinstatement to Eligible Requesting Parties)

Article 90-5 The information prescribed by order of the competent ministry as referred to in Article 197-4, paragraph (11) of the Act is the following information:

- (i) the fact that the requester for reinstatement (meaning the requester for reinstatement prescribed in Article 197-4, paragraph (11) of the Act; the same applies below) understands the following information:
  - (a) the fact that the provisions stated in the items of Article 220-4, paragraph (1) of the Act are not applicable when the requester for reinstatement becomes an entity prescribed in those items concerning the commodity transaction contract on or after the approval date (meaning the date on which the commodity derivatives broker gives an approval under the provisions of Article 197-4, paragraph (11) of the Act; the same applies below in this Article) (excluding the cases prescribed in the proviso to Article 220-4, paragraph (1) of the Act);
  - (b) the fact that a person not suitable to be treated as an eligible requesting party in terms of knowledge, experience, and financial circumstances to be treated as an eligible requesting party concerning a commodity transaction contract has a risk of resulting in insufficient protection of the person;
- (ii) the fact that in cases of soliciting conclusion of or entering into a commodity transaction contract on or after the approval date, the requester for reinstatement will be treated as an eligible requesting party again;
- (iii) the fact that with regard to a commodity transaction contract entered into on or after the approval date with another commodity derivatives broker by the commodity derivatives broker on behalf of the requester for reinstatement based on the commodity transactions contract, the requester for reinstatement will also be treated as an eligible requesting party again by the other commodity derivatives broker;
- (iv) the fact that the requester for reinstatement may at any time on or after the approval date file the application pursuant to Article 197-4, paragraph



(1) of the Act.

(Obtaining Consent or Approval Using Information Communication Technology)

Article 90-6 (1) The means specified by order of competent ministry as referred to in Article 197-4, paragraph (12) (including as applied mutatis mutandis pursuant to Article 197-5, paragraph (3) (including as applied mutatis mutandis pursuant to paragraph (9) of that Article (including as applied mutatis mutandis pursuant to Article 197-6, paragraph (6)), Article 197-6, paragraph (6), and Article 197-9, paragraph (2) of the Act; the same applies below in this Article) and Article 209, paragraph (2) of the Act and the means of using an electronic data processing system prescribed in Article 24, paragraph (1) and Article 31, paragraph (1) of the Order or other means of using information communication technology as prescribed by order of the competent ministry are as follows:

(i) the following means that use an electronic data processing system:

(a) the means of transmitting via a telecommunication line connecting a computer used by a commodity derivatives broker with a computer used by the counterpart (referred to below as "customer" in this Article) from whom consent is being sought pursuant to the provisions of Article 197-4, paragraph (12) or Article 209, paragraph (2) of the Act, and recording in a file stored on a computer used by the receiver;

(b) the means of providing information concerning the consent or approval of the customer recorded in a file stored on a computer used by a commodity derivatives broker for inspection by the customer via a telecommunication line, and recording the information concerning the consent or approval by the customer in a file stored on a computer used by the commodity derivatives broker;

(ii) the means of obtaining a record of the information concerning the consent or approval in a file prepared using an electronic or magnetic recording medium.

(2) The means stated in the items of the preceding paragraph must be a means that enable a commodity derivatives broker to prepare a document by outputting the record in the file.

(3) The term "electronic data processing system" as used in paragraph (1), item (i) means an electronic data processing system that connects the computer used by the commodity derivatives broker, etc. with the computer used by the customer via a telecommunication line.

(Due Date When Corporations That Are Customers Other Than Eligible Requesting Parties Are Deemed to Be Eligible Requesting Parties)

Article 90-7 (1) The case prescribed by order of the competent ministry as referred to in Article 197-5, paragraph (2) of the Act is the case in which the commodity derivatives broker specifies a certain date and publicly announces the following information by posting the information at a place easily accessible to the public in the business office or office of the commodity derivatives broker or by other appropriate means:

- (i) the certain date;
- (ii) the fact that the date specified in the following paragraph is to be the due date (meaning the due date prescribed in Article 197-5, paragraph (2), item (ii) of the Act; the same applies in paragraph (2) of the following Article and Article 90-9).

(2) The date prescribed by order of the competent ministry as referred to in Article 197-5, paragraph (2) of the Act is the latest date specified by the commodity derivatives broker pursuant to provisions of the preceding paragraph which is within 1 year from the approval date (meaning the approval date prescribed in paragraph (2), item (i) of that Article; the same applies in the following Article and Article 90-9).

(Information to Be Stated in Documents Indicating Consent by Corporations That Are Customers Other Than Eligible Requesting Parties That Made Requests)

Article 90-8 (1) The matter prescribed by order of the competent ministry as referred to in Article 197-5, paragraph (2), item (iii), (a) of the Act is the fact that the provisions stated in the items of Article 220-4, paragraph (1) of the Act are not applicable when the requester with regard to a commodity transaction contract (meaning an applicant prescribed in Article 197-5, paragraph (2) of the Act; the same applies in the following paragraph) becomes an entity prescribed in those items on or after the approval date (excluding the case stated in the proviso to Article 220-4, paragraph (1) of the Act).

(2) The matters prescribed by order of the competent ministry as referred to in Article 197-5, paragraph (2), item (vii) of the Act are the following matters:

- (i) the fact that the requester will be treated as an eligible requesting party with regard to acts performed based on the provisions of laws or regulations or the provisions of a contract related to commodity transaction contracts entered into on or before the due date, even when they are performed after the due date;
- (ii) the fact that the applicant will be treated as an eligible requesting party concerning the commodity transaction contract only by the commodity derivatives broker that has given approval pursuant to provisions of Article 197-5, paragraph (2) of the Act;
- (iii) the fact that with regard to a commodity transaction contract to be entered

- into on or before the due date with another commodity derivatives broker by the commodity derivatives broker on behalf of the requester based on the commodity transactions contract, the requester will also be treated as an eligible requesting party by the other commodity derivatives broker;
- (iv) the fact that a requester may make a request pursuant to provisions of Article 197-5, paragraph (10) of the Act at any time on or after the approval date.

(Necessary Periods for Corporations That Are Customers Other Than Eligible Requesting Parties That Made Requests to Make Requests for Renewal)

Article 90-9 (1) The period prescribed by order of the competent ministry as referred to in Article 197-5, paragraph (7) of the Act is 11 months (when stated in the following items, the period prescribed in each item):

- (i) if the period from the approval date to the due date is less than 1 year (excluding the case stated in the following item): a period obtained by subtracting 1 month from the period; or
- (ii) if the period from the approval date to the due date does not exceed 1 month: 1 day.
- (2) With regard to the application of provisions of the preceding paragraph when prescribed in Article 197-5, paragraph (9) of the Act, the term "approval date" as used in the items of that paragraph is to be replaced by "the day following the previous due date".

(Information to Be Stated in Documents Delivered to Corporations That Are Customers Other Than Eligible Requesting Parties That Made Requests for Reinstatement as General Customers)

Article 90-10 The matters prescribed by order of the competent ministry as referred to in Article 197-5, paragraph (12) of the Act are the following matters:

- (i) the day the approval under the provisions of Article 197-5, paragraph (11) of the Act is to be given (referred to as the "approval date" in this Article below);
- (ii) the fact that when soliciting conclusion of or entering into a commodity transaction contract on or after the approval date, a corporation that made the request under the provisions of Article 197-5, paragraph (10) of the Act (referred to as the "requester for reinstatement" in the following item) is to be treated as a general customer again;
- (iii) the fact that with regard to a commodity transactions contract entered into on or after the due date with another commodity derivatives broker by the commodity derivatives broker on behalf of the requester for reinstatement based on the commodity transactions contract, the requester for

reinstatement will also be treated as a general customer again by the other commodity derivatives broker.

(Individuals That May Make Requests to Be Treated as Eligible Requesting Parties)

Article 90-11 The requirements prescribed by order of the competent ministry as referred to in Article 197-6, paragraph (1) are any of the following requirements:

- (i) an individual that is a broker who has entered into a silent partnership agreement prescribed in Article 535 of the Commercial Code (Act No. 48 of 1899) (limited to persons who satisfy all of the following requirements):
  - (a) consent has been obtained from all of the silent partners regarding the fact that a request under the provisions of Article 197-6, paragraph (1) is to be made;
  - (b) the total amount of contribution based on the silent partnership agreement is at least 300 million yen.
- (ii) an individual that is a partner who has been delegated the execution of the business of the partnership by entering into a partnership agreement prescribed in the provisions of Article 667, paragraph (1) of the Civil Code (Act No. 89 of 1896) (limited to persons who satisfy all of the following requirements):
  - (a) consent has been obtained from all of the other partners regarding the fact that a request under the provisions of Article 197-6, paragraph (1) is to be made;
  - (b) the total amount of contribution based on the partnership agreement is at least 300 million yen.
- (iii) an individual that is a partner who participates in making decisions on the execution of important business of the partnership by entering into a limited partnership agreement prescribed in Article 3, paragraph (1) of the Limited Liability Partnership Act (Act No. 40 of 2005) and who personally executes the business (limited to persons that satisfy all of the following requirements):
  - (a) consent has been obtained from all of the other partners regarding the fact that a request under the provisions of Article 197-6, paragraph (1) is to be made;
  - (b) the total amount of contribution based on the limited liability partnership agreement is at least 300 million yen.
- (iv) individuals who satisfy all of the following requirements:
  - (a) the amount obtained by deducting the total amount of liabilities from the total amount of assets of the requester (meaning a requester prescribed in Article 197-6, paragraph (2) of the Act; the same applies below in this

- Article and Article 90-14) on the approval date (meaning the approval date prescribed in Article 197-5, paragraph (2), item (i) of the Act as applied mutatis mutandis pursuant to Article 197-6, paragraph (6); the same applies in (b), the following Article, Article 90-13, paragraph (2), and Article 90-14 of the Act) is expected to be at least 300 million yen, judging reasonably from the status of transactions and other circumstances;
- (b) the total amount of the requester's assets (limited to those stated as follows) on the approval date is expected to be at least 300 million yen, judging reasonably from the status of transactions and other circumstances:
1. rights related to transactions in commodity markets, rights related to transactions in foreign commodity markets, and rights related to over-the-counter commodity derivatives transactions;
  2. securities prescribed in Article 2, paragraph (1) of the Financial Instruments and Exchange Act and rights deemed to be securities pursuant to the provisions of paragraph (2) of that Article (excluding those stated in 6. and 7. (limited to those based on a contract entered into with a special broker prescribed in Article 2, paragraph (9) of the Act on Specified Joint Real Estate Ventures (Act No. 77 of 1994)));
  3. rights related to derivatives transactions prescribed in Article 2, paragraph (20) of the Financial Instruments and Exchange Act.
  4. special savings, etc. prescribed in Article 11-5 of the Agricultural Cooperatives Act (Act No. 32 of 1947), special savings, etc. prescribed in Article 11-9 of the Fishery Cooperatives Act (Act No. 242 of 1948), special savings, etc. prescribed in Article 6-5-11, paragraph (1) of the Act on Financial Business by Cooperatives (Act No. 183 of 1948), special savings, etc. prescribed in Article 89-2, paragraph (1) of the Shinkin Bank Act (Act No. 238 of 1951), special deposits, etc. prescribed in Article 17-2 of the Long Term Credit Bank Act (Act No. 187 of 1952), special deposits, etc. prescribed in Article 94-2 of the Labor Bank Act (Act No. 227 of 1953), special deposits, etc. prescribed in Article 13-4 of the Banking Act (Act No. 59 of June 1, 1981), special deposits, etc. prescribed in Article 59-3 of The Norinchukin Bank Act (Act No. 93 of 2001), and special deposits, etc. prescribed in Article 29 of the Shoko Chukin Bank Limited Act (Act No. 74 of 2007);
  5. rights related to specified mutual aid contracts prescribed in Article 11-27 of the Agricultural Cooperatives Act, specified mutual aid contracts prescribed in Article 12-3, paragraph (1) of the Consumers' Cooperatives Act (Act No. 200 of 1948), specified mutual aid contracts prescribed in Article 15-12 of the Fishery Cooperatives Act, specified mutual aid contracts prescribed in Article 9-7-5, paragraph (3) of the

Small and Medium-Sized Enterprise Cooperatives Act (Act No. 181 of June 1, 1949), and insurance proceeds, mutual aid money, refunds, and other benefits based on a specified insurance contract prescribed in Article 300-2 of the Insurance Business Act;

6. trust beneficial interests related to a specified trust agreement prescribed in Article 24-2 of the Trust Business Act;
  7. rights based on a specified joint real estate venture contract prescribed in Article 2, paragraph (3) of the Act on Specified Joint Real Estate Ventures; and
  8. electronic payment instruments stated in the items of Article 43 of the Cabinet Office Order on Electronic Payment Instruments Service Providers (Cabinet Office Order No. 48 of 2023); and
- (c) that 1 year has elapsed since the date on which the requester first entered into a commodity transaction contract related to the request under the provisions of Article 197-6, paragraph (1) of the Act with the commodity derivatives broker.

(Necessary Periods for Individuals That Are Customers Other Than Eligible Requesting Parties That Made Requests to Make Requests for Renewal)

Article 90-12 (1) The period specified by order of the competent ministry as referred to in Article 197-6, paragraph (4) of the Act is 11 months (when stated in the following items, the period prescribed in each item):

- (i) if the period from the approval date to the due date (meaning the due date prescribed in Article 197-5, paragraph (2), item (ii) of the Act as applied mutatis mutandis pursuant to Article 197-6, paragraph (6) of the Act; the same applies below in this Article, paragraph (1) of the following Article, and Article 90-14, paragraph (2)) is less than 1 year (excluding the case stated in the following item): a period obtained by subtracting 1 month from that period; or
  - (ii) if the period from the approval date to the due date does not exceed 1 month: 1 day.
- (2) with regard to the application of the provisions of the preceding paragraph when prescribed in Article 197-6, paragraph (6) of the Act, the term "approval date" in the items of that paragraph is deemed to be replaced by "the day following the previous due date".

(Due Date When Individuals That Are Customers Other Than Eligible Requesting Parties Are Deemed to Be Eligible Requesting Parties)

Article 90-13 (1) The case specified by order of the competent ministry as referred to in Article 197-5, paragraph (2) of the Act as applied mutatis mutandis pursuant to Article 197-6, paragraph (6) is the case in which the

commodity derivatives broker specifies a certain date and publicly announces the following information by posting the information at a place easily accessible to the public in the business office or office of the commodity derivatives broker or by other appropriate means:

(i) the certain date; and

(ii) the fact that the date specified in the following paragraph is to be the due date.

- (2) The date specified by order of the competent ministry as referred to in Article 197-5, paragraph (2) of the Act as applied mutatis mutandis pursuant to Article 197-6, paragraph (6) of the Act is the latest date specified by the commodity derivatives broker pursuant to provisions of the preceding paragraph which is within 1 year from the approval date.

(Information to Be Stated in Documents Indicating Consent by Individuals That Are Customers Other Than Eligible Requesting Parties That Made Requests)

Article 90-14 (1) The matter specified by order of the competent ministry as referred to in Article 197-5, paragraph (2), item (iii), (a) of the Act as applied mutatis mutandis pursuant to Article 197-6, paragraph (6) of the Act is the fact that the provisions stated in the items of Article 220-4, paragraph (1) of the Act are not applicable to the cases in which the requester with respect to a commodity transaction contract becomes a person prescribed in those items on or after the approval date (excluding the case prescribed in the proviso to that paragraph).

- (2) The matters specified by order of the competent ministry as referred to in Article 197-5, paragraph (2), item (vii) of the Act as applied mutatis mutandis pursuant to Article 197-6, paragraph (6) of the Act are the following matters:

(i) the fact that the requester will be treated as an eligible requesting party with regard to acts performed based on the provisions of laws and regulations or provisions of a contract related to commodity transaction contracts entered into on or before the due date, even when they are performed after the due date;

(ii) the fact that the requester will be treated as an eligible requesting party with regard to the commodity transaction contract only by the commodity derivatives broker that has given approval under the provisions of Article 197-5, paragraph (2) of the Act as applied mutatis mutandis pursuant to Article 197-6, paragraph (6) of the Act;

(iii) the fact that with regard to commodity transaction contracts to be entered into on or before the due date with another commodity derivatives broker by the commodity derivatives broker on behalf of the requester based on the commodity transactions contract, the requester will also be treated as an

- eligible requesting party by the other commodity derivatives broker;
- (iv) the fact that the requester may make a request under the provisions of Article 197-6, paragraph (5) of the Act at any time on or after the approval date.

(Information to be Stated in a Document Delivered to an Individual That Made a Request for Reinstatement as a General Customer)

Article 90-15 The information prescribed by order of the competent ministry as referred to in Article 197-5, paragraph (12) of the Act as applied mutatis mutandis pursuant to Article 197-6, paragraph (6) of the Act is the following information:

- (i) the day approval is to be given under the provisions of Article 197-5, paragraph (11) of the Act as applied mutatis mutandis pursuant to Article 197-6, paragraph (6) of the Act (referred to below as the "approval date" in this Article);
- (ii) the fact that in cases of soliciting conclusion of or entering into a commodity transaction contract on or after the approval date, an individual that has made a request under the provisions of Article 197-6, paragraph (5) of the Act (referred to as "requester for reinstatement" in the following item) is to be treated as a general customer again;
- (iii) the fact that with regard to a commodity transaction contract entered into on or after the due date with another commodity derivatives broker by a commodity derivatives broker on behalf of the requester for reinstatement based on the commodity transactions contract, the requester for reinstatement will also be treated as a general customer again by the other commodity derivatives broker.

(Goods Associated with Goods for Which Eligible Commercial Persons Are Engaged in Purchase and Sale in the Course of Trade)

Article 90-16 The goods specified by order of the competent ministry as referred to in Article 197-7 of the Act are the following goods:

- (i) goods constituting the main raw materials or ingredients of the goods for which the eligible commercial person is engaged in the purchase and sale, etc. in the course of trade;
- (ii) goods whose main raw materials or ingredients are the goods for which the eligible commercial person is engaged in the purchase and sale, etc. in the course of trade;
- (iii) in a case in which a correlation is recognized between the price of the goods for which the eligible commercial person is engaged in the purchase and sale, etc. in the course of trade and the price of other goods, judging reasonably based on fluctuations in quotations, etc., on commodity markets



or other circumstances, the other goods (excluding those stated in the preceding two items)

(Information to Be Stated in Documents Delivered to Eligible Commercial Persons That Made Requests)

Article 90-17 The matters specified by order of the competent ministry as referred to in Article 197-4, paragraph (3), item (iii) of the Act as applied mutatis mutandis pursuant to Article 197-8, paragraph (2) of the Act are the following matters:

- (i) the fact that the requester (meaning an requester prescribed in Article 197-4, paragraph (3) of the Act as applied mutatis mutandis pursuant to Article 197-8, paragraph (2) of the Act; the same applies in the following item) will be treated as a general customer in relation to the commodity transaction contract only by the commodity derivatives broker that has given approval pursuant to provisions of Article 197-4, paragraph (2) of the Act as applied mutatis mutandis pursuant to Article 197-8, paragraph (2) of the Act;
- (ii) the fact that with regard to a commodity transaction contract entered into on or after the approval date (meaning the approval date prescribed in Article 197-4, paragraph (3) of the Act as applied mutatis mutandis pursuant to Article 197-8, paragraph (2) of the Act) with another commodity derivatives broker by the commodity derivatives broker on behalf of the requester pursuant to the commodity transactions contract, the requester will also be treated as a general customer by the other commodity derivatives broker.

(Information to Be Stated in Documents Indicating Consent by Persons That Made Requests for Reinstatement as Eligible Commercial Persons)

Article 90-18 The matters specified by order of the competent ministry as referred to in Article 197-4, paragraph (11) of the Act as applied mutatis mutandis pursuant to Article 197-8, paragraph (2) of the Act are the following matters:

- (i) the fact that the requester for reinstatement (meaning an requester for reinstatement prescribed in Article 197-4, paragraph (11) of the Act as applied mutatis mutandis pursuant to Article 197-8, paragraph (2) of the Act; the same applies below in this Article) understands the following matters:
  - (a) the fact that the provisions stated in the items of Article 220-4, paragraph (2) of the Act are not applicable when the requester for reinstatement becomes a person specified in those items with regard to the commodity transaction contract on or after the approval date (meaning the day on which the requester for reinstatement gives approval under the provisions

of Article 197-4, paragraph (11) of the Act as applied mutatis mutandis pursuant to Article 197-8, paragraph (2) of the Act; the same applies below in this Article) (excluding the cases prescribed in the proviso to Article 220-4, paragraph (2) of the Act; and

- (b) the fact that a person not suitable to be treated as an eligible commercial person in terms of knowledge, experience, and status of property to be treated as an eligible commercial person concerning a commodity transaction contract has a risk of resulting in insufficient protection of the person.
- (ii) the fact that in cases of soliciting conclusion of or entering into a commodity transaction contract on or after the approval date, the requester for reinstatement will be treated as an eligible commercial person again;
- (iii) the fact that with regard to a commodity transaction contract to be entered into on or after the approval date with another commodity derivatives broker by a commodity derivatives broker on behalf of the requester for reinstatement based on the commodity transactions contract, the requester for reinstatement will also be treated as an eligible commercial person again by the other commodity derivatives broker; and
- (iv) the fact that the requester for reinstatement may make a request under the provisions of Article 197-8, paragraph (1) of the Act at any time on or after the approval date.

(Due Dates When Corporations Other Than Eligible Requesting Parties and Eligible Commercial Persona Are Deemed to Be Eligible Commercial Persons)

Article 90-19 (1) The case specified by order of the competent ministry as referred to in Article 197-5, paragraph (2) of the Act as applied mutatis mutandis pursuant to Article 197-9, paragraph (2) of the Act is the case in which the commodity derivatives broker specifies a certain date and publicly announces the following information by posting the information at a place easily accessible to the public in the business office or office of the commodity derivatives broker or by other appropriate means:

- (i) the certain date; and
  - (ii) the fact that the date specified in the following paragraph is to be the due date (meaning the due date prescribed in Article 197-5, paragraph (2), item (ii) of the Act as applied mutatis mutandis pursuant to Article 197-9, paragraph (2) of the Act; the same applies in paragraph (2) of the following Article and Article 90-21).
- (2) The date specified by order of the competent ministry as referred to in Article 197-5, paragraph (2) of the Act as applied mutatis mutandis pursuant to Article 197-9, paragraph (2) of the Act is the latest date specified by the

commodity derivatives broker pursuant to provisions of the preceding paragraph which is within 1 year from the approval date (meaning the approval date prescribed in paragraph (2), item (i) of that Article as applied mutatis mutandis pursuant to Article 197-9, paragraph (2) of the Act; the same applies in the following Article and Article 90-21).

(Information to Be Stated in Documents Indicating Consent by Corporations  
Other Than Eligible Requesting Parties and Eligible Commercial Persons)

- Article 90-20 (1) The matter specified by order of the competent ministry as referred to in Article 197-5, paragraph (2), item (iii), (a) of the Act as applied mutatis mutandis pursuant to Article 197-9, paragraph (2) of the Act is the fact that the provisions stated in the items of Article 220-4, paragraph (2) of the Act are not applicable when a requester with regard to a commodity transaction contract (meaning the requester prescribed in Article 197-5, paragraph (2) of the Act as applied mutatis mutandis pursuant to Article 197-9, paragraph (2) of the Act; the same applies in the following paragraph) becomes a person specified in those items on or after the approval date (excluding the case prescribed in the proviso to Article 220-4, paragraph (2) of the Act).
- (2) The matters prescribed by order of the competent ministry under Article 197-5, paragraph (2), item (vii) of the Act as applied mutatis mutandis in Article 197-9, paragraph (2) of the Act are the following matters:
- (i) the fact that the requester will be treated as an eligible commercial person with regard to acts performed based on the provisions of laws and regulations or to the provisions of a contract related to commodity transaction contracts entered into on or before the due date, even when they are performed after the due date;
  - (ii) the fact that a requester will be treated as an eligible commercial person with regard to the commodity transaction contract only by the commodity derivatives broker that has given approval under the provisions of Article 197-5, paragraph (2) of the Act applied mutatis mutandis in Article 197-9, paragraph (2) of the Act;
  - (iii) the fact that with regard to commodity transaction contracts to be entered into on or before the due date with another commodity derivatives broker by the commodity derivatives broker on behalf of the requester based on the commodity transactions contract, the requester will also be treated as an eligible commercial person by the other commodity derivatives broker;
  - (iv) the fact that a requester may make a request under the provisions of Article 197-5, paragraph (10) of the Act as applied mutatis mutandis pursuant to Article 197-9, paragraph (2) of the Act at any time on or after the approval date.

(Necessary Periods for Corporations Other Than Eligible Requesting Parties and Eligible Commercial Persons That Made Requests to Make Requests for Renewal)

- Article 90-21 (1) The period specified by order of the competent ministry as referred to in Article 197-5, paragraph (7) of the Act as applied mutatis mutandis pursuant to Article 197-9, paragraph (2) of the Act is 11 months (when stated in the following items, the period prescribed in each item):
- (i) if the period from the approval date to the due date is less than 1 year (excluding the case stated in the following item): a period obtained by subtracting 1 month from that period; and
  - (ii) if the period from the approval date to the due date does not exceed 1 month: 1 day.
- (2) With regard to the application of the provisions of the preceding paragraph when stated in Article 197-9, paragraph (2) of the Act, the term "approval date" in the items of that paragraph is deemed to be replaced by "the day following the previous due date".

(Information to Be Stated in Documents Delivered to Corporations Other Than Eligible Requesting Parties and Eligible Commercial Persons That Made Requests for Reinstatement as General Customers)

- Article 90-22 The matters prescribed by order of the competent ministry as referred to in Article 197-5, paragraph (12) of the Act as applied mutatis mutandis pursuant to Article 197-9, paragraph (2) of the Act are the following matters:
- (i) the day approval under the provisions of Article 197-5, paragraph (11) of the Act as applied mutatis mutandis pursuant to Article 197-9, paragraph (2) of the Act is to be given (referred to below as the "approval date" in this Article);
  - (ii) the fact that in cases of soliciting conclusion of or entering into a commodity transaction contract on or after the approval date, a corporation that has made the request under the provisions of Article 197-5, paragraph (10) of the Act as applied mutatis mutandis pursuant to Article 197-9, paragraph (2) of the Act (referred to as the "requester for reinstatement" in the following item) will be treated as a general customer again; and
  - (iii) the fact that with regard to a commodity transaction contract to be entered into on or after the due date with another commodity derivatives broker by a commodity derivatives broker on behalf of the requester for reinstatement based on the commodity transactions contract, the requester for reinstatement will also be treated as a general customer again by the other commodity derivatives broker.

(Signs of Commodity Derivatives Brokers)

Article 91 The sign specified by order of the competent ministry as referred to in Article 198, paragraph (1) of the Act is prepared according to Form No. 9.

(Documents Attached to Written Applications for Registration)

Article 92 (1) The documents specified by order of the competent ministry as referred to in Article 200, paragraph (4) of the Act are as follows:

- (i) a copy of the residence certificate, etc. of the sales representative who seeks to obtain registration;
  - (ii) a document with which the sales representative and the registration requester pledge that the sales representative who seeks to obtain registration does not fall under any of the items of Article 201, paragraph (1) of the Act; and
  - (iii) a document proving that the sales representative who seeks to obtain registration has the knowledge and experience to perform the acts stated in the items of Article 200, paragraph (1) of the Act in a fair and appropriate manner.
- (2) When seeking to renew a registration under Article 200, paragraph (7) of the Act, the documents specified by order of the competent ministry as referred to in paragraph (4) of that Article are as follows:
- (i) the documents stated in the items of the preceding paragraph; and
  - (ii) when a sales representative seeking to renew a registration has been rendered a disposition (limited to a disposition for which five years have not elapsed from the date of disposition) pursuant to the provisions of Article 204, paragraph (1) of the Act (including as applied mutatis mutandis pursuant to Article 240-11 of the Act), a document stating the date of disposition, content of the disposition, and the reason for the disposition.

(Information to Be Stated in the Registers of Sales Representatives)

Article 93 The information specified by order of the competent ministry as referred to in Article 200, paragraph (5) of the Act is as follows:

- (i) the registration number;
- (ii) the date of registration;
- (iii) the trade name or name of the registration applicant; and
- (iv) the information concerning the sales representative stated as follows:
  - (a) address;
  - (b) whether the sales representative is an officer or an employee;
  - (c) with regard to a person who has experience of performing the duties of a sales representative (including a sales representative related to the registration under the provisions of Article 200, paragraph (1) of the Act as applied mutatis mutandis pursuant to Article 240-11 of the Act), the trade

- name or name of the commodity derivatives broker or commodity derivatives intermediary service provider with which the person was affiliated and the duration of the performance of their duties;
- (d) with regard to a person who has experience of engaging in commodity derivatives intermediary service, the duration of the performance of their services;
- (e) when the suspension of their duties is ordered pursuant to the provisions of Article 204, paragraph (1) of the Act, the date of the disposition, reasons for the disposition, and duration of the disposition; and
- (f) when revocation of registration under the provisions of Article 204, paragraph (1) of the Act is made or deletion of registration under the provisions of Article 205 of the Act is made, the date of and reason for the disposition.

(Registration Affairs Concerning Sales Representatives by the Association)

Article 94 Pursuant to the provisions of Article 206, paragraph (1) of the Act, the association is to conduct the work related to registration stated in the following items which concern the association members (meaning association members prescribed in Article 244, paragraph (2) of the Act; the same applies below) belonging to the association:

- (i) acceptance of a written application for registration pursuant to the provisions of Article 200, paragraph (3) of the Act;
- (ii) registration pursuant to the provisions of Article 200, paragraph (5) of the Act;
- (iii) notification pursuant to the provisions of Article 200, paragraph (6) of the Act, Article 15, paragraphs (5) and (7) of the Act as applied mutatis mutandis pursuant to Article 201, paragraph (2) of the Act, and Article 204, paragraph (2) of the Act;
- (iv) refusal of registration pursuant to the provisions of Article 201, paragraph (1) of the Act;
- (v) hearing of opinions pursuant to the provisions of Article 15, paragraph (5) of the Act as applied mutatis mutandis pursuant to Article 201, paragraph (2) of the Act;
- (vi) acceptance of notifications pursuant to the provisions of Article 203 of the Act;
- (vii) order for revocation of registration and suspension of duties pursuant to the provisions of Article 204, paragraph (1) of the Act;
- (viii) hearing of opinions of witnesses, submission of opinions or reports by witnesses, or examination by experts, pursuant to the provisions of Article 158, paragraph (2) of the Act as applied mutatis mutandis pursuant to Article 204, paragraph (3) of the Act, and hearings pursuant to the provisions

of Article 159, paragraph (4) of the Act; and  
(ix) revocation of registration pursuant to the provisions of Article 205 of the Act.

(Notification on Registration Affairs Concerning Sales Representatives)

Article 95 When seeking to submit a notification pursuant to the provisions of Article 206, paragraph (4) of the Act, the association must submit the documents stating the information specified in the following items to the competent minister:

- (i) the trade name of the association member to which the sales representative is assigned;
- (ii) the name and date of birth of the sales representative;
- (iii) the content of the registration affairs handled (limited to the work related to the information stated in the preceding two items) and the date of handling the work; and
- (iv) if the content of the registration affairs stated in the preceding item is an order of suspension of duties or revocation of registration, the reasons for the suspension or revocation.

Article 96 Deleted

(Measures of Segregation of Property Related to Transactions in Commodity Markets)

Article 97 (1) The properties specified by order of the competent ministry as referred to in Article 210, item (i) of the Act are money, securities, and other properties equivalent to the sum of the values stated in the following items:

- (i) accounts receivable from a requesting party (with regard to transactions, etc. in a commodity market, limited to properties which can be offset against the money, securities, and other properties deposited by the requesting party and money on the requesting party's account (excluding money equivalent to profit for transactions in a commodity market on the requesting party's account for which the settlement has not been completed));
- (ii) the clearing margins deposited with a commodity exchange based on the provisions of Article 103, paragraph (1) of the Act (limited to the clearing margins for which a requesting party (meaning a requesting party prescribed in item (ii) of the same paragraph) or a brokerage requesting party (meaning a brokerage requesting party prescribed in item (iv) of that paragraph; the same applies in (a) and (b) of the following item) who holds a right to demand restitution), or the clearing margins deposited with a commodity clearing organization based on the provisions of Article 179, paragraph (1) of the Act (limited to that a requesting party (meaning a requesting party prescribed in

- item (i), (b) of that paragraph), a brokerage requesting party (meaning a brokerage requesting party prescribed in (d) of that item; the same applies in (c) and (d) of the following item), a brokerage requesting party (meaning a clearing brokerage requesting party prescribed in item (ii), (b) of that paragraph), or a requesting party that makes a request to the clearing broker (meaning a requesting party that makes a request to the clearing broker prescribed in (d) of that item; the same applies in (c) and (e) of the following item) who holds a right to demand restitution);
- (iii) in cases of a person that falls under a person stated in the following sub-items, the matters specified in each of those items:
- (a) a broker (meaning a broker prescribed in Article 103, paragraph (1), item (ii); the same applies in (b)) who has accepted brokerage of the consignment of a transaction in a commodity market from a brokerage requesting party who deposits customer margins based on the provisions of Article 103, paragraph (2) of the Act: the customer margins;
  - (b) a broker who has received a deposit of brokerage margins from a brokerage requesting party based on the provisions of Article 103, paragraph (3) of the Act and has deposited the customer margins with members, etc. based on the provisions of paragraph (2) of that Article: the customer margins (limited to within the scope of the amount of the brokerage margins deposited with the broker);
  - (c) a broker (meaning a broker prescribed in Article 179, paragraph (1), item (i), (b) of the Act; the same applies in (d)) who has accepted the brokerage of the consignment of transactions in a commodity market from a brokerage requesting party who deposits customer margins based on the provisions of Article 179, paragraph (2) of the Act, or a clearing broker (meaning a clearing broker prescribed in paragraph (1), item (ii), (b) of that Article; the same applies in (e)) who has accepted the brokerage of the consignment of the brokerage of the consignment of commodity clearing transactions from a requesting party that makes a request to the clearing broker who deposits customer margins based on the provisions of paragraph (2) of that Article: the customer margins;
  - (d) a broker who has received a deposit of brokerage margins from a brokerage requesting party based on the provisions of Article 179, paragraph (3) of the Act and has deposited the customer margins with members, etc. based on the provisions of paragraph (2) of that Article: the customer margins (limited to within the scope of the amount of the brokerage margins deposited with the broker);
  - (e) a clearing broker who has accepted a deposit of clearing brokerage margins from a requesting party that makes a request to the clearing broker based on the provisions of Article 179, paragraph (4) of the Act and



- has deposited the customer margins with members, etc. based on the provisions of paragraph (2) of that Article: the customer margins (limited to within the scope of the amount of the clearing brokerage margins deposited with the clearing broker);
  - (iv) in cases of entering into a contract prescribed in the provisions of Article 103, paragraph (7) of the Act (including as applied *mutatis mutandis* pursuant to Article 179, paragraph (7) of the Act) and obtaining a deposit deferral of clearing margins based on Article 103, paragraph (9) of the Act (including as applied *mutatis mutandis* pursuant to Article 179, paragraphs (7) and (8) of the Act): the clearing margins for which a deposit deferral was obtained;
  - (v) a loss related to transactions in a commodity market on a requesting party's account for which settlement is not completed (with regard to transactions, etc. in a commodity market, limited to those that can be offset against money, securities, and other property deposited by the requesting party and against money, securities, and other property belonging to the requesting party's account);
  - (vi) money, securities, and other property deposited with a commodity exchange or a commodity clearing organization for the settlement of delivery related to transactions in a commodity market on a requesting party's account.
- (2) In cases referred to in the preceding paragraph, the value of the securities are to be based on the market value.

Article 98 (1) The measures specified by order of the competent ministry as referred to in Article 210, item (i) of the Act (referred to below as "measures for requesting party assets preservation") are as follows:

- (i) entering into a contract of trust (referred to below as the "trust contract" in this Article, Article 98-3, and Article 139) with a trust company or a financial institution engaged in trust business (limited to contracts that satisfy the following requirements):
  - (a) for the trust contract, a commodity derivatives broker is the requesting party, a trust company or a financial institution engaged in trust business is the trustee, and the person that entrusted the transactions, etc. in a commodity market to the commodity derivatives broker (referred to below as the "transaction requesting party" in this item) is the beneficiary of the principal;
  - (b) for the trust contract, a person who is appointed from among the officers and employees of the commodity derivatives broker (if a commodity derivatives broker enters into multiple trust contracts as measures for requesting party assets preservation, the same person is to be assigned as

- the agent for a beneficiary of a trust related to these trust contracts) and a requesting party protection fund (limited to a requesting party protection fund which the commodity derivatives broker joined as a member; the same applies below in this Article) are the agents for a beneficiary of a trust;
- (c) if a commodity derivatives broker becomes a commodity futures derivatives broker subject to a notice (meaning a commodity derivatives broker subject to a notice prescribed in the provisions of Article 304 of the Act; the same applies below) notwithstanding the provisions of (b), only the requesting party protection fund is to be assigned as the agent for a beneficiary of a trust, unless otherwise specifically permitted by the requesting party protection fund;
- (d) the trust property is to be a money trust whose investment is limited to one of the following methods; provided, however, that this does not apply if it is a money trust with a contractual agreement for the compensation of principal pursuant to the provisions of Article 6 of the Act on Engagement in Trust Business by Financial Institutions (Act No. 43 of 1943):
1. holding Japanese government bonds and other securities designated by the competent minister;
  2. depositing money in a bank or other financial institutions designated by the competent minister; and
  3. other methods specified by the competent minister;
- (e) the appraised amount of the principal of the trust property is to be the amount of the principal of the trust;
- (f) in the following cases, the cancellation of a trust contract or the cancellation of a part of a trust contract may not be carried out unless the requesting party protection fund which is the agent for a beneficiary of a trust gives its approval in advance:
1. when the appraised value of the trust fund's principal exceeds the necessary amount for the trust (meaning the amount calculated by deducting the amount for other measures for requesting party assets preservation from the amount of the property subject to preservation of the commodity derivatives broker), when there is an intention to cancel the trust contract or a part of the trust contract within the scope of the amount equivalent to the excess amount;
  2. in cases when there is an intention to cancel the trust contract or a part of the trust contract in order to change to another measure for requesting party assets preservation;
  3. when there is an intention to cancel the trust contract or a part of the trust contract in order to deposit funds as clearing margins for transactions in a commodity market on a transaction requesting party's account with a commodity exchange or a commodity clearing

organization;

4. when there is an intention to cancel the trust contract or a part of the trust contract in order to pay for a transaction loss or a delivery settlement to a commodity exchange or a commodity clearing organization related to transactions in a commodity market on a transaction requesting party's account;
  5. when there is an intention to cancel the trust contract or a part of the trust contract in order to pay the money, securities, or other property which was deposited by a transaction requesting party or which belongs to a transaction requesting party's account, to the transaction requesting party;
  6. when there is an intention to cancel the trust contract or a part of the trust contract in order to collect commission fees or otherwise execute the rights of the commodity derivatives broker related to the entrustment against a transaction requesting party;
- (g) the trust contract must not be changed unless the requesting party protection fund which is the agent for a beneficiary of a trust gives its approval in advance;
- (h) when a commodity derivatives broker has come to fall under a commodity derivatives broker subject to a notice, or when a requesting party protection fund which is the agent for a beneficiary of a trust judges that it is necessary for the smooth repayment of the commodity derivatives broker's debts related to the return of the requesting party's assets to a transaction requesting party, the beneficiary rights to the principal related to the trust contract are to be executed by the requesting party protection fund for all transaction requesting parties in a lump sum. In this case, the termination of the trust contract by considering that its purpose has been accomplished is not precluded;
- (i) beyond what is stated in sub-items (a) through (h), the requirements specified by the operational rules of the requesting party protection fund;
- (ii) entering into a contract for depositing properties with a requesting party protection fund (limited to those that satisfy the following requirements):
- (a) the value of the securities among the properties deposited with a requesting party protection fund (referred below to as the "deposited property" in this item) is based on the market value; or
  - (b) cases in which the deposited property can be withdrawn are the following cases, excluding the case prescribed in (c):
    1. when the appraised value of the deposited property exceeds the necessary amount for the deposit (the amount calculated by deducting the amount for the other measures for requesting party assets preservation from the amount of the property subject to preservation of

- the commodity derivatives broker), cases in which there is an intention to withdraw the deposited property within the scope of the amount equivalent to the excess amount;
2. when there is an intention to withdraw the deposited property in order to change to another measure for requesting party assets preservation;
  3. when there is an intention to withdraw the deposited property in order to deposit the property as clearing margins for transactions in a commodity market on a requesting party's account with a commodity exchange or a commodity clearing organization;
  4. when there is an intention to withdraw the deposited property in order to pay for a transaction loss or a delivery settlement to a commodity exchange or a commodity clearing organization related to transactions in a commodity market on a requesting party's account;
  5. when there is an intention to withdraw the deposited property in order to pay the money, securities, and other property which were deposited by a requesting party or which belong to a requesting party's account, to the requesting party;
  6. when there is an intention to withdraw the deposited property in order to collect commission fees or otherwise execute the rights of the commodity derivatives broker related to entrustment against a requesting party;
- (c) when a commodity derivatives broker has come to fall under a commodity derivatives broker subject to a notice, or where the requesting party protection fund judges that it is necessary for the smooth repayment of the commodity derivatives broker's debts related to the return of a requesting party's assets to a requesting party (referred to below as an "debts to a requesting party" in this Article and Article 139, paragraph (1), items (ii) through (v)), the deposited property can be allocated for repayment by the commodity derivatives broker's debts to a requesting party which is carried out by the requesting party protection fund on behalf of the commodity derivatives broker (referred to below as the "payment in subrogation" in this paragraph);
- (d) when referred to in (c), the commodity derivatives broker can withdraw only the remaining amount of the deposited property after the requesting party protection fund allocates the deposited property for the payment in subrogation; or
- (e) beyond what is stated in sub-items (a) through (d), the requirements specified by the operational rules of the requesting party protection fund;
- (iii) to enter into a contract entrusting a financial institution to make a payment of the whole or a portion of the necessary amount for the repayment of debts to a requesting party to a requesting party protection fund (referred

to below as a "guarantee request contract" in this item and Article 139, paragraph (1), item (iv)) (limited to the cases that satisfy the following requirements; referred to as "guarantee request" in Article 139, paragraph (1), item (iv)):

(a) the contract is for entrustment to the following financial institutions:

1. a bank;
2. the Shoko Chukin Bank, Ltd.
3. a credit cooperative;
4. a Shinkin Bank;
5. the Norinchukin Bank;
6. an agricultural cooperative and a federation of agricultural cooperatives which can accept deposits or savings in the course of trade;
7. a trust company (limited to a person that is approved by the Prime Minister for conducting business on guarantee of obligations based on the provisions of Article 21, paragraph (2) of the Trust Business Act);  
or
8. an insurance company;

(b) a guarantee request contract must not be canceled or changed unless the requesting party protection fund approves in advance;

(c) the limit of the amount to be paid to the requesting party protection fund by a financial institution stated in (a) based on the guarantee request contract is specified in advance (referred to below as "payment guarantee limit amount" in this item);

(d) A requesting party protection fund can instruct a financial institution stated in (a), which has entered into a guarantee request contract to pay to the requesting party protection fund the necessary amount for repayment of the debts to a requesting party within the limit of the payment guarantee limit amount when the commodity derivatives broker has come to fall under a commodity derivatives broker subject to a notice, and the requesting party protection fund judges that it is necessary to do so for the smooth repayment of the commodity derivatives broker's debts to the requesting party; and

(e) beyond what is stated in sub-items (a) through (d), the requirements specified by the operational rules of the requesting party protection fund;

(iv) in addition to the measures stated in the preceding two items, conclusion of a contract entrusting the requesting party protection fund to repay the whole or a part of the commodity derivatives broker's debts on behalf of the commodity derivatives broker (referred to below as a "subrogation consignment agreement" in this item and Article 139, paragraph (1), item (v)) (limited to those that satisfy the following requirements; referred to as a "subrogation consignment" in Article 139, paragraph (1), item (v)):

- (a) a subrogation consignment agreement must not be canceled or changed unless the requesting party protection fund approves in advance;
  - (b) the limit of the amount to be paid in subrogation for the debts to a requesting party by a requesting party protection fund on behalf of the commodity derivatives broker is specified in advance (referred to below as the "subrogation limit amount" in this item);
  - (c) when a commodity derivatives broker has come to fall under a commodity derivatives broker subject to a notice, or where a requesting party protection fund judges that it is necessary for the smooth repayment of the commodity derivatives broker's debts to a requesting party, the requesting party protection fund is to pay the debts to a requesting party on behalf of the commodity derivatives broker within the limit of the subrogation limit amount; and
  - (d) beyond what is stated in sub-items (a) through (c), the requirements specified by the operational rules of the requesting party protection fund.
- (2) When a commodity derivatives broker has entered into or changed the contract stated in the items of the preceding paragraph, they must submit a copy of the contract to the competent minister without delay; provided, however, that when a trust contract has been changed, a certificate of balance issued by the trust company entering into the contract or a financial institution engaged in trust business is to be attached.
- (3) When a commodity derivatives broker seeks to cancel a contract stated in the items of paragraph (1), a notification of that fact must be submitted to the competent minister 30 days before the cancellation.
- (4) With regard to transactions in a commodity market, a commodity derivatives broker must not deposit as collateral, loan, nor dispose of securities and other property deposited by a requesting party or securities and other property belonging to a requesting party's account contrary to the purpose of the entrustment; provided, however, that this does not apply in cases of depositing them with a requesting party protection fund, or depositing them as collateral, or placing them in trust with the following financial institutions, after obtaining the consent of the requesting party:
- (i) a bank;
  - (ii) the Shoko Chukin Bank, Ltd.
  - (iii) a credit cooperative;
  - (iv) a Shinkin Bank;
  - (v) the Norinchukin Bank;
  - (vi) an agricultural cooperative and a federation of agricultural cooperatives which can accept deposits or savings in the course of trade;
  - (vii) a person stated in Article 1-2, item (iv) of the Enforcement Order of the Money Lending Business Act (Cabinet Order No. 181 of 1983);

- (viii) a trust company or a financial institution engaged in trust business; and
- (ix) an insurance company.

(Measures of Segregation of Property Related to Foreign Commodity Market Transactions and Over-the-Counter Commodity Derivatives Transactions)

Article 98-2 (1) The properties specified by order of the competent ministry as referred to in Article 210, item (ii) of the Act are money, securities, and other property equivalent to the total amount of the value of properties specified in the following items in accordance with the category of transactions stated in each item:

- (i) foreign commodity market transactions: property equivalent to those stated in the items of Article 97, paragraph (1) in a foreign country;
- (ii) over-the-counter commodity derivatives transactions:
  - (a) if the commodity derivatives broker is a financial institution that accepts deposits, savings, or installment savings, etc. prescribed in Article 2, paragraph (4) of the Banking Act (referred to below as "deposits, etc."), the deposits, etc. accepted from requesting parties, etc.;
  - (b) accounts receivable from a requesting party (with regard to over-the-counter commodity derivatives transactions, limited to those that can be offset against money, securities, and other property deposited by the requesting party and the money belonging to the requesting party's account (excluding cash equivalent to profit related to over-the-counter commodity derivatives transactions on the requesting party's account for which settlement has not been completed));
  - (c) loss related to over-the-counter commodity derivatives transactions on the account of the requesting party, etc. for which the settlement has not been completed (limited to those that can be offset against money, securities, and other property deposited by the requesting party, etc. and the money, securities, and other property belonging to the account of the requesting party, etc. in relation to over-the-counter commodity derivatives transactions);
  - (d) when a commodity derivatives broker conducts over-the-counter commodity derivatives transactions based on a master agreement with a requesting party (meaning a master agreement prescribed in Article 2, paragraph (5) of the Act on Collective Clearing of Specified Financial Transactions Conducted by Financial Institutions (Act No. 108 of 1998); the same applies below in this sub-item (d)) with a provision for collective clearing (meaning collective clearing prescribed in paragraph (6) of that Article), when there is a valuation loss for the requesting party given the appraised value (meaning appraised value prescribed in paragraph (6) of that Article) at the time when a cause of collective clearing (meaning a

cause of collective clearing as defined in paragraph (4) of that Article; the same applies below in this sub-item (d)) occurs for a specified financial transaction (meaning a specified financial transaction as defined in paragraph (1) of that Article, and excluding the over-the-counter derivatives transaction) performed based on the master agreement when a cause of collective clearing occurs for the requesting party, the valuation loss (limited to cases in which it is found that there is no risk of resulting in insufficient protection of requesting parties, etc. when over-the-counter commodity derivatives transactions are settled based on the master agreement); and

(e) securities that a commodity derivatives broker may use under the terms of a contract.

(2) When referred to in the preceding paragraph, the value of the securities is to be based on the market value.

Article 98-3 (1) The measures specified by order of the competent ministry as referred to in Article 210, item (ii) of the Act are those specified in the following items in accordance with the category of requesting parties, etc. stated in each of those items:

(i) a requesting party, etc. that is an individual (referred to below as "individual requesting party, etc." in this paragraph): to enter into trust contracts (limited to those that satisfy the following requirements):

(a) the trust contract is to have a commodity derivatives broker as the requesting party and the trust company or a financial institution engaging in trust business as the trustee, and the individual requesting party, etc. related to the acts stated in Article 2, paragraph (22), items (iii) through (v) of the Act (referred to below as "specified acts" in this item) as the beneficiary of the principal;

(b) for the trust contract, agents for the beneficiary are to be appointed, and at least one of the beneficiary's agents is an attorney-at-law, a legal professional corporation, attorney / registered foreign lawyer joint corporation, a certified public accountant, an audit corporation, a tax accountant, a tax accountant corporation, or a person specified by the competent minister (referred to below as "attorney-at-law, etc." in this item);

(c) when multiple specified trusts are carried out (meaning trusts in which a commodity derivatives broker has an individual requesting party, etc. as the counterpart, or trusts related to specified acts performed on behalf of an individual requesting party, etc.; the same applies below in this Article), the same beneficiary's agents are appointed for the multiple specified trusts; and



- (d) when a commodity derivatives broker comes to fall under any of the following cases, only a beneficiary's agent who is an attorney-at-law, etc. exercises their authority (excluding when the beneficiary's agent who is an attorney-at-law, etc. approves the exercise of authority by another beneficiary's agents):
1. permission under Article 90, paragraph (1) of the Act has been canceled pursuant to the provisions of Article 235, paragraph (3) or Article 236, paragraph (1) of the Act;
  2. permission under Article 190, paragraph (1) of the Act ceases to be effective pursuant to the provisions of Article 190, paragraph (2) or Article 197, paragraph (2) of the Act;
  3. when a petition is filed for the commencement of bankruptcy proceedings, rehabilitation proceedings, reorganization proceedings, or special liquidation (in cases of a foreign corporation, when a petition is filed for the commencement of bankruptcy proceedings, rehabilitation proceedings, reorganization proceedings, or special liquidation, or the same type of petition is filed in the country where the head office, etc. is located, pursuant to the laws and regulations of that country);
  4. when the commodity derivatives business is discontinued (in cases of a foreign corporation, the discontinuation of commodity derivatives business at all business offices or offices in Japan; the same applies below in this paragraph) or dissolved (in cases of a foreign corporation, commencement of liquidation of business offices or offices in Japan; the same applies below in this 4. part), or when a public announcement of discontinuation or dissolution of commodity derivatives business under the provisions of Article 97, paragraph (3) of the Act is made;
  5. when an order to suspend business pursuant to the provisions of Article 236, paragraph (1) of the Act is received (limited to cases that fall under item (vii) of that paragraph).
- (e) the trust property is to be a money trust whose investment is limited to one of the following methods; provided, however, that this does not apply if it is a money trust with a contractual agreement for the compensation of principal pursuant to the provisions of Article 6 of the Act on Engagement in Trust Business by Financial Institutions:
1. holding of the following securities:
    - i. Japanese national government bond securities;
    - ii. local government bond securities;
    - iii. securities issued by a public corporation, a public finance corporation, or a public organization, or other securities for which payment of the principal and interest is guaranteed by the government;
    - iv. national federation bonds under the provisions of Article 54-2-4,

- paragraph (1) of the Shinkin Bank Act, long-term credit bank bonds under the provisions of Article 8 of the Long Term Credit Bank Act, agriculture and forestry bonds under the provisions of Article 60 of the Norinchukin Bank Act, and commercial and industrial bonds under the provisions of Article 33 of the Shoko Chukin Bank Limited Act (including those deemed to be commercial and industrial bonds issued pursuant to the provisions of Article 33 of that Act pursuant to the provisions of Article 37 of the Supplemental Provisions of that Act;
- v. specified corporate bonds under the provisions of Article 8, paragraph (1) of the Act on Financial Institutions' Merger and Conversion (Act No. 86 of 1968) (including as applied mutatis mutandis pursuant to Article 55, paragraph (4) of that Act) (including bond certificates under the provisions of Article 17-2, paragraph (1) of the Act on Financial Institutions' Merger and Conversion (including as applied mutatis mutandis pursuant to Article 24, paragraph (1), item (vii) of that Act) before amendment by the provisions of Article 199 of the Act on Arrangement of Relevant Acts Incidental to Enforcement of the Companies Act (Act No. 87 of 2005));
  - vi. beneficiary certificates based on the Loan Trust Act (Act No. 195 of 1952) for which there is a contractual agreement for the compensation of principal;
  - vii. secured bonds (limited to those with no reimbursement and interest extension);
  - viii. beneficiary certificates of investment trusts stated in Article 65, item (ii), sub-items (a) through (c) of the Cabinet Office Order on Financial Instruments Business (Cabinet Office Order No. 52 of 2007) (limited to within the scope equivalent to one-third of the specified trust required amount (meaning the sum of individual specified trust required amounts (meaning an amount calculated for the amount of property stated in Article 240, item (ii) of the Act for each individual requesting party, etc.; the same applies below in this Article); the same applies below in this Article);
2. deposits or savings deposits in the following financial institutions (when a commodity derivatives broker is the financial institution, excluding deposits or savings deposits in their own institution):
- i. banks
  - ii. Shinkin Banks and federation of Shinkin Banks, and labor banks and The Rokinren Bank;
  - iii. The Norinchukin Bank and the Shoko Chukin Bank, Ltd.;
  - iv. credit cooperatives and federation of credit cooperatives, and

- agricultural cooperatives, fishery cooperatives, federation of fishery cooperatives, fishery processing cooperatives, and federation of fishery processing cooperatives that can accept deposits and savings in the course of trade;
3. call loans; or
  4. due from bank account at a financial institution engaged in the trust business that is the trustee;
  5. a money trust created with a financial institution engaged in the trust business for which there is a contractual agreement for the compensation of principal.
- (f) if the appraised value of the principal of trust property falls short of the specified trust required amount, money equivalent to the amount of deficiency is to be added to the trust property by the commodity derivatives broker within 2 business days from the day following the day on which the deficiency occurred;
- (g) the commodity derivatives broker calculates the appraised value of securities that are trust properties at the market value (excluding when the specified trust is a money trust with a contractual agreement for the compensation of principal pursuant to the provisions of Article 6 of the Act on Engagement in Trust Business by Financial Institutions);
- (h) if a specified trust is a money trust with a contractual agreement for the compensation of principal pursuant to the provisions of Article 6 of the Act on Engagement in Trust Business by Financial Institutions, the appraised value of the principal of the trust property is to be the amount of the principal of the money trust;
- (i) cancellation of the whole trust contract or a part of the trust contract may not be made in cases other than the following cases:
1. when the appraised value of the principal of trust property exceeds the specified trust required amount, seeking to cancel or partially cancel the trust contract within the scope of an amount equivalent to the excess amount; or
  2. seeking to cancel or partially cancel the trust contract for the purpose of entrusting the property as trust property related to another specified trust;
- (j) trust property related to cancellation or partial cancellation of a trust contract performed when stated in (i) 1 or 2 is to belong to the requesting party;
- (k) when a commodity derivatives broker comes to fall under any of the cases stated in (d) 1 through 5, the commodity derivatives broker may not give instructions on the investment of the trust property to the trustee unless otherwise specifically permitted by a beneficiary's agent who is an

attorney-at-law, etc.;

- (l) if a beneficiary's agent who is an attorney-at-law, etc. determines it to be necessary, the beneficial rights of an individual requesting party, etc. are exercised collectively for all individual requesting parties by the beneficiary's agent who is an attorney-at-law, etc.;
- (m) if the beneficial rights of an individual requesting party, etc. are exercised collectively by a beneficiary's agent who is an attorney-at-law, etc., the trust contract related to the beneficial rights may be terminated;
- (n) the amount to be paid to each individual requesting party when the individual requesting party, etc. exercises beneficial rights, is an amount obtained by multiplying the proportion of the individual specified trust required amount related to the individual out of the specified trust required amount on the date of exercise of the beneficial rights (if the amount exceeds the individual specified trust required amount, the individual specified trust required amount) by the principal conversion amount on the date (meaning an amount obtained by converting the trust property relating to the specified trust (limited to the portion of the principal) (the principal amount, when the specified trust is a money trust with a contractual agreement for the compensation of principal pursuant to the provisions of Article 6 of the Act on Engagement in Trust Business by Financial Institutions); the same applies in (o));
- (o) if the principal conversion amount on the date on which beneficial rights are exercised by an individual requesting party, etc. exceeds the specified trust required amount, the excess amount is to belong to the requesting party;
- (ii) requesting party, etc. other than individual requesting party, etc.: any of the following measures:
  - (a) deposits or savings in banks, cooperative organization financial institutions or the Shoko Chukin Bank, Ltd. (limited to those that are clearly identifiable as property stated in Article 210, item (ii) of the Act by the account name);
  - (b) conclusion of a trust contract (limited to those that satisfy the following requirements):
    1. that the trust is a money trust with a contractual agreement for the compensation of principal pursuant to the provisions of Article 6 of the Act on Engagement in Trust Business by Financial Institutions, or is a money trust created with a trust company or a financial institution engaged in the trust business and the trust property will be safely managed;
    2. that the property is clearly identifiable as property stated in Article 210, item (ii) of the Act by the account name.

- (c) deposit with a counterpart, etc. to a cover deal (when transactions in a commodity market or a foreign commodity market in which commodities or commodity indices that are the subject of over-the-counter commodity derivatives transactions conducted by the requesting party, purchase and sale related to the over-the-counter commodity derivatives transactions and other equivalent matters are the same, or over-the-counter commodity derivatives transactions with another commodity derivatives broker or another person (referred to below as "other commodity derivatives broker, etc." in this sub-item (c) and sub-item (d)) as the counterpart (referred to below as "cover deal" in this sub-item (c)) are performed for the purpose of reducing losses that may occur from the over-the-counter commodity derivatives transaction that the commodity derivatives broker conducts with a requesting party, etc. as the counterpart, meaning a commodity exchange, a commodity clearing organization, a foreign commodity market maker, or a corporation based on the law of a foreign country and engaged in the same type of business as the business of assuming commodity transaction debts in a foreign country (referred to below as "foreign commodity clearing organization" in this sub-item (c)) or another commodity derivatives broker related to the cover deal) (when the commodity derivatives broker conducts the cover deal, limited to cases in which cash, securities, and other property related to the cover deal are deposited with the commodity exchange, commodity clearing organization, foreign commodity market establisher, foreign commodity market clearing organization, or other commodity derivatives broker);
- (d) deposit with an intermediary, etc. counterpart (meaning another commodity derivatives broker, etc. that is a counterpart of an intermediary, broker, or agent when a commodity derivatives broker conducts intermediation, brokerage, or action as an agent for over-the-counter commodity derivatives transactions on behalf of a requesting party) (when the commodity derivatives broker conducts intermediation, brokerage, or action as an agent for over-the-counter commodity derivatives transactions with the other commodity derivatives broker, etc. as an intermediary, etc. counterpart, limited to the case of depositing money, securities, and other property related to the over-the-counter commodity derivatives transactions with the other commodity derivatives broker).
- (2) If a commodity derivatives broker takes measures for specified trust, the commodity derivatives broker must calculate individual specified trust required amounts and specified trust required amounts every day;
- (3) if a commodity derivatives broker takes the measures stated in paragraph (1), item (ii), (c) or (d), the commodity derivatives broker must periodically confirm the value of the money, securities, and other property deposited with the other

commodity derivatives broker, etc.;

(4) If a commodity derivatives broker receives a deposit of securities, etc.

(meaning securities and property other than money; the same applies below in this paragraph) from a requesting party, etc. in relation to a foreign commodity market transaction or an over-the-counter commodity derivatives transaction, the securities may be managed separately from the business operator's own property by one of the following methods specified in accordance with the category of securities, etc. stated in each item, notwithstanding the provisions of paragraph (1). In this case, the commodity derivatives broker is deemed to have taken the measure prescribed in Article 210, item (ii) of the Act.

(i) securities, etc. which the commodity derivatives broker manages by retaining them (excluding securities in commingled deposit; the same applies in the following item): for the location of retention of securities, etc. received for deposit from a requesting party, etc. (referred to below as "securities, etc. of a requesting party, etc." in this paragraph), the method of clearly separating the location of retention for securities, etc. which are the broker's own property and those other than requesting party securities, etc. (referred to below as "proprietary securities, etc." in this paragraph), and the requesting party securities, etc. are retained in a condition that they are immediately distinguishable as to which requesting party's securities they are;

(ii) securities, etc. which the commodity derivatives broker manages by having a third party retain them: the method of management by having the third party clearly distinguish the location of retention of the securities, etc. of the requesting party, etc. from the location of retention for proprietary securities, etc., and retaining the securities, etc. of a requesting party, etc. in a condition that they are immediately distinguishable as to which requesting party's securities, etc. they are;

(iii) securities, etc. which the commodity derivatives broker manages by retaining them (limited to securities in commingled deposit; the same applies in the following item): the method of managing the securities, etc. by clearly separating the location of retention for securities, etc. of a requesting party, etc. from the location of retention for proprietary securities, etc., and retaining them in a condition that the equity of each requesting party, etc. related to the securities, etc. of the requesting party, etc. is immediately distinguishable from the broker's own books;

(iv) securities, etc. which a commodity derivatives broker manages by having a third party retain them: the method of management by having the third party separate the account for a requesting party, etc. of the commodity derivatives broker from the account for the commodity derivatives broker and other methods, that enable the equity related to the securities, etc. of a

requesting party, etc. to be immediately distinguished, and of retaining it in a condition that the equity of each requesting party related to the securities, etc. of a requesting party, etc. is immediately distinguishable from the commodity derivatives broker's books (in cases of having a third party in a foreign country retain it, if, under the laws of a foreign country, the third party is unable to separate the retention of the equity related to the securities, etc. of the requesting party, etc. from the equity related to the proprietary securities, etc., or if a particularly unavoidable cause is found to exist with regard to the fact that the securities, etc. may not be retained by the third party in a condition that the equity related to securities, etc. of a requesting party, etc. is immediately distinguishable, the method of managing the securities, etc. by retaining them in a condition that the equity of each requesting party related to the securities, etc. of the requesting party, etc. is immediately distinguishable from the commodity derivatives broker's books);

- (v) rights deemed to be securities pursuant to provisions of Article 2, paragraph (2) of the Financial Instruments and Exchange Act, and other securities (excluding those stated in the preceding items): the method specified in the following (a) or (b) in accordance with the category of cases stated in (a) or (b):
  - (a) if a document proving the right required when exercising the right and other documents exist: the method of managing the securities, etc. by deeming the documents to be securities etc. and in accordance with the category of securities, etc. stated in each of the preceding items;
  - (b) in cases other than the case stated in (a): the method of having a third party clearly manage the rights as securities, etc. of the requesting party, etc., and in a condition that the state of the management is immediately identifiable from the commodity derivatives broker's books.
- (vi) securities, etc. that cannot be managed by the methods prescribed in the preceding items because of common ownership by the commodity derivatives broker and the requesting party, etc.: the method of managing the securities in a condition that the equity of each requesting party related to securities, etc. of the requesting party, etc. is immediately distinguishable from the commodity derivatives broker's books.

#### (Calculating the Amount Corresponding to Risks)

Article 99 (1) The amount calculated pursuant to the provisions of order of the competent ministry as referred to in Article 211, paragraph (1) of the Act is the sum of the following amounts:

- (i) the market risk equivalent amount (meaning an amount calculated as prescribed by the competent minister as an amount equivalent to potential

- risk arising from fluctuations in quotations, etc. on commodity markets and other reasons; the same applies in the main clause of the following paragraph and Article 100-2, paragraph (1), item (ii));
- (ii) the counterpart risk equivalent amount (meaning an amount calculated as prescribed by the competent minister as an amount equivalent to potential risk arising from default in performance of contracts by the counterpart to a transaction and other reasons; the same applies in the main clause of the following paragraph and Article 100-2, paragraph (1), item (ii)); and
- (iii) the fundamental risk equivalent amount (meaning an amount calculated as prescribed by the competent minister as an amount equivalent to potential risk arising from errors in paperwork and other execution of routine business; the same applies in Article 100-2, paragraph (1), item (ii)).
- (2) A commodity derivatives broker (excluding one that falls under the persons stated in the items of Article 28 of the Order; the same applies in the following Article) is to use rational methods to ascertain the market risk equivalent amount and the counterpart risk equivalent amount each business day; provided, however, that this does not apply to a commodity derivatives broker that is a financial instruments business operator who ascertains the market risk equivalent amount prescribed in Article 178, paragraph (1), item (i) of the Cabinet Office Order on Financial Instruments Business and the counterpart risk equivalent amount prescribed in item (ii) of that paragraph each business day based on the provisions of paragraph (2) of that Article.

(Notifications of Net Assets Regulation Ratios)

- Article 100 (1) A notification of the net assets regulation ratio at the end of each month specified in Article 211, paragraph (1) of the Act is to be given by a monthly report to be submitted pursuant to the provisions of Article 117, paragraph (1), item (i).
- (2) Notwithstanding the provisions of Article 38, the preceding Article, and the preceding paragraph, a commodity derivatives broker that is a financial instruments business operators may calculate the net assets regulation ratio by using the amount obtained by deducting the sum of the amounts prescribed in Article 177, paragraph (1) of the Cabinet Office Order on Financial Instruments Business from the sum of the amounts prescribed in Article 176, paragraph (1) of that Order as the amount of net assets, and the sum of the amounts prescribed in Article 178, paragraph (1) of that Order as the amount calculated as specified by order of the competent ministry as referred to in Article 211, paragraph (1) of the Act, respectively, and file a written notification of the net assets regulation ratio (limited to a document with the content equivalent to or greater than the part concerning the net assets regulation ratio stated in the document prepared according to Form No. 12).



- (3) The cases specified by order of the competent ministry as referred to in Article 211, paragraph (1) of the Act are the cases stated in the following items:
- (i) when the net assets regulation ratio falls below 140 percent; and
  - (ii) when the net assets regulation ratio has recovered to 140 percent or more.
- (4) A commodity derivatives broker that has come to fall under item (i) of the preceding paragraph must immediately report that fact to the competent minister pursuant to the provisions of Article 211, paragraph (1) of the Act, and must prepare a written notification concerning the net assets regulation ratio using Form No. 10 each business day and submit a written notification to the competent minister without delay.
- (5) The written notification specified in the preceding paragraph must be attached with the documents specified in the following items in accordance with the category of cases stated in each of those items:
- (i) when the net assets regulation ratio falls below 140 percent (excluding the case stated in the following item): a written plan on the specific measures to be taken by the commodity derivatives broker themselves in order to maintain the status of the net assets regulation ratio; or
  - (ii) when the net assets regulation ratio falls below 120 percent: a written plan on the specific measures to be taken by the commodity derivatives broker themselves in order to recover the status of the net assets regulation ratio.
- (6) A commodity derivatives broker that has come to fall under paragraph (3), item (ii) must notify the competent minister of that fact without delay based on the provisions of Article 211, paragraph (1) of the Act.
- (7) A commodity derivatives broker must appropriately ascertain the status of the net assets regulation ratio each business day; provided, however, that this does not apply to a commodity derivatives broker that is a financial instruments business operator that appropriately ascertains the status of the capital adequacy ratio prescribed in Article 46-6, paragraph (1) of the Financial Instruments and Exchange Act each business day based on the provisions of Article 179, paragraph (6) of the Cabinet Office Order on Financial Instruments Business.

(Public Inspection of the Net Assets Regulation Ratios)

Article 100-2 (1) A commodity derivatives broker must enter the following information when they prepare a document pursuant to the provisions of Article 211, paragraph (3) of the Act:

- (i) the amount of net assets prescribed in Article 99, paragraph (7) of the Act as applied mutatis mutandis pursuant to Article 211, paragraph (4) of the Act;
- (ii) the market risk equivalent amount, the counterparty risk equivalent amount, the fundamental risk equivalent amount, and the sum of those amounts; and

- (iii) the net assets regulation ratio.
- (2) If the amount of subordinated debts (meaning those stated in Article 38, paragraph (1), items (ix) and (x); the same applies below in this paragraph) is included in the amount of supplementary items, the following information must be set down in the notes in the document prescribed in the preceding paragraph:
  - (i) the amount of the subordinated debts;
  - (ii) the contract date and issue date of the subordinated debts;
  - (iii) the due date or maturity date of the subordinated debts.
- (3) When a commodity derivatives broker that is a financial instruments business operator prepares a document pursuant to the provisions of Article 211, paragraph (3) of the Act, they may prepare a document based on the provisions of Article 180 of the Cabinet Office Order on Financial Instruments Business, notwithstanding the provisions of the preceding two paragraphs.

(Acts Similar to Advertising)

Article 100-3 The acts specified by order of the competent ministry as referred to in the paragraphs of Article 213-2 of the Act are, the provision of information with the same content to a large number of persons by the means of mail, correspondence delivery (meaning the correspondence delivery prescribed in Article 2, paragraph (2) of the Act on Correspondence Delivery by Private Business Operators (Act No. 99 of 2002) made by a general correspondence delivery operator prescribed in paragraph (6) of that Article, or by a specified correspondence delivery operator prescribed in paragraph (9) of that Article; the same applies in Article 116-11), transmission using a facsimile device, electronic mail (meaning electronic mail prescribed in Article 2, item (i) of the Act on Regulation of Transmission of Specified Electronic Mail (Act No. 26 of 2002); the same applies in Article 126-11), distribution of fliers or brochures, or any other means (excluding the following means):

- (i) the means of distributing a document prepared based on a law or regulation or a disposition rendered by a government agency based on a law or regulation;
- (ii) the means of distributing any material on analysis or evaluation of quotations, etc. on a commodity market which is not used for soliciting the conclusion of a commodity transaction contract;
- (iii) the means of providing a gift or any other goods on which only all of the following information is indicated (limited to one on which the information stated in sub-items (b) through (d) is clearly and accurately indicated) (when one item of the information is not indicated on the gift or any other goods, including the means of providing other goods on which the missing information is indicated together with the gift or other goods as a single

unit):

- (a) the name or commonly used name of the commodity transaction contract;
- (b) the trade name, name or commonly used name of a commodity derivatives broker that provides information with the same content to a large number of persons by the means prescribed in this item; and
- (c) if there is a risk of the customer incurring a loss with regard to a transaction based on a commodity transaction contract due to a fluctuation in the quotations, etc. on the commodity market, the fact that the risk exists (including the risk that the amount of the loss may exceed the amount of the clearing margin, etc. (meaning the clearing margin prescribed in Article 217, paragraph (1), item (i) of the Act; the same applies below), and limited to articles on which the letters or numbers used for indicating this information are of a size that is not substantially different from the largest letters or numbers used for indicating other information);
- (d) the fact that the content of the document prescribed in Article 217, paragraph (1) of the Act (referred to below as "document for delivery before conclusion of a contract") should be thoroughly read;
- (iv) the means of having information broadcast through the broadcasting equipment of a broadcaster (meaning the broadcaster prescribed in Article 2, item (xxvi) of the Broadcast Act (Act No. 132 of 1950) and excluding the Japan Broadcasting Corporation and the Open University of Japan (meaning the Open University of Japan prescribed in Article 3 of the Act on the Open University of Japan (Act No. 156 of 2002); the same applies in Article 126-11, item (iv)), the method of having customers inspect, via telecommunications lines, the content of information that is recorded onto a file in a computer used by a commodity derivatives broker or a person that has been entrusted the business related to advertising, etc. (meaning advertising or other acts specified in this Article; the same applies in the following Article) conducted by the commodity derivatives broker, or the means of indicating information to the public either indoors or outdoors on a constant basis or continuously for a certain period in which the information is posted or indicated on a signboard, a billboard, a poster, a placard or an advertising pillar, advertising board, building or any other structure, etc., or a means similar to them, in which the following information is clearly and accurately indicated and there is no indication that is significantly contradictory to facts or seriously misleading with regard to the estimated profits from performing the acts stated in the items of Article 2, paragraph (22) of the Act and other information specified in Article 100-7:
  - (a) the trade name or name of the commodity derivatives broker;
  - (b) the fact that the business operator is a commodity derivatives broker;

- (c) if there is a risk of the customer incurring a loss with regard to a transaction based on a commodity transaction contract due to a fluctuation in the quotations, etc. on the commodity market, the fact that the risk exists (including the risk that the amount of the loss may exceed the amount of the clearing margin, etc., and limited to articles on which the letters or numbers used for indicating this information are of a size that is not substantially different from the largest letters or numbers used for indicating other information, excluding the means of broadcasting the information by phonetic sound ); and
- (d) the fact that the content of the document for delivery before conclusion of a contract should be thoroughly read.

(Means of Indicating the Advertisement on the Content of Commodity Derivatives Business)

Article 100-4 (1) When a commodity derivatives broker advertises the content of the commodity derivatives business they conduct, they must clearly and accurately indicate the information stated in the items of Article 213-2, paragraph (1) of the Act.

(2) When a commodity derivatives broker advertises the content of commodity derivatives business they conduct, they are to indicate the information stated in Article 29, item (iv) of the Order and the following Article by using the letters or numbers of a size that is not substantially different from the largest letters or numbers used for indicating other information.

(Information Concerning the Considerations Required to Be Paid by Customers)

Article 100-5 The matters specified by order of the competent ministry as referred to in Article 29, item (i) of the Order are the amounts for each type or the upper limit of the considerations required to be paid by a customer concerning a commodity transaction contract, whether they are referred to as fees, remunerations, expenses or by any other name (excluding values related to receipt or delivery, the amount of the consideration for the transactions prescribed in Article 2, paragraph (3), item (iv) and paragraph (14), items (iv) and (v) of the Act, and the amount of clearing margin, etc.; referred to below as "fees, etc."), or the outline of their calculation method (including the proportion of the amount of transactions (meaning the amount of transactions prescribed in Article 29, item (iii) of the Order) based on the commodity transaction contract), and the sum of those amounts, or their upper limit, or the outline of their calculation method; provided, however, that, when it is not possible to indicate them, that fact and its reason.

(Material Facts That Have Impacts on Customers' Judgments)

Article 100-6 The matters specified by order of the competent ministry as referred to in Article 29, item (v) of the Order are the following matters:

- (i) if there is a risk of the customer incurring a loss with regard to the transaction based on the commodity transaction contract due to a fluctuation in the quotations, etc. on the commodity market (excluding the case in which there is a risk that the amount of the loss may exceed the amount of the clearing margin, etc.), that fact and its reason;
- (ii) if, with regard to over-the-counter derivatives transactions, there is a difference between the sale price and purchase price of commodities indicated by a commodity derivatives broker (for the transactions stated in the following sub-items (a) through (c), including those prescribed in sub-items (a) through (c)), that fact:
  - (a) for transactions stated in Article 2, paragraph (14), item (ii) or (iii) of the Act: when the actual price (meaning the actual price as defined in paragraph (3), item (ii) of that Article; the same applies below) or the actual figure (meaning the actual figure as defined in paragraph (3), item (iii) of that Article; the same applies below) exceeds the contract price, etc., the contract price, etc. of the transaction for which the person in question will be the party to pay the money and the contract price, etc. of the transaction for which the person in question will be the party to receive the money, or those similar to them;
  - (b) for transactions stated in Article 2, paragraph (14), item (iv) or (v) of the Act: the amount of consideration for the rights of transaction for which the person in question will be the party to grant the rights prescribed in item (iv) or (v) of that paragraph, and the value of the consideration for the rights of transaction for which the person in question will be the party to obtain the rights; or
  - (c) for transactions stated in Article 2, paragraph (14), item (vi) of the Act: the price of the commodity or commodity index and the price of the commodity at the start of the contracted term in the transaction for which the person in question will be the party to pay money when the price of the commodity or the commodity index has risen during the contracted term, and the price of the commodity or commodity index at the start of the contracted term in the transaction for which the person in question will be the party to receive money when the price of the commodity or the commodity index has risen during the contracted term, or those similar to them;
- (iii) if there is a fact that is detrimental to the customer regarding important matters related to a commodity transaction contract, the content of the detrimental fact; and

- (iv) if the commodity derivatives broker belongs to a commodity futures association, that fact and the name of the commodity futures association.

(Matters for Which Misleading Advertisements Are Prohibited)

Article 100-7 The matters specified by order of the competent ministry as referred to in Article 213-2, paragraph (2) of the Act are the following matters:

- (i) matters concerning cancellation of the commodity transaction contract;
- (ii) matters concerning the bearing of all or part of the losses or the guarantee of profits related to the commodity transaction contract;
- (iii) matters concerning the planned amount of damages (including penalties) related to the commodity transaction contract;
- (iv) matters concerning the commodity market or foreign commodity market related to the commodity transaction contract;
- (v) matters concerning the financial resources or credit of the commodity derivatives broker;
- (vi) matters concerning the past performance of the commodity derivatives business of the commodity derivatives broker; and
- (vii) matters concerning the amount of the fees, etc. or its calculation method, the method and time of the payment, and the recipient of the payment.

(Matters for Which Instructions Are Required to Be Received from Customers)

Article 101 The matters specified by order of the competent ministry as referred to in Article 214, item (iii) of the Act are as follows:

- (i) the type of component products of listed commodities or listed commodity component product index;
- (ii) the type of transaction and due date;
- (iii) the volume;
- (iv) the amount of consideration or contract price, etc. (including the distinction between a limit order and a market order);
- (v) the distinction between purchase or sale and other equivalent matters;
- (vi) the distinctions between new selling or purchasing, reselling or repurchasing, or other equivalent matters; and
- (vii) the date and time of the transaction or the valid period of the order.

(Exempt Acts)

Article 102 (1) The acts specified by order of the competent ministry as matters that are unlikely to result in insufficient protection of the requesting party or unlikely to harm the fairness of transactions as referred to in Article 214, item (iii) of the Act are as follows:

- (i) an act to accept the entrustment of a transaction in a commodity market, etc., or a foreign commodity market, etc. with regard to the matters stated in

- item (i), item (ii), and items (v) through (vii) of the preceding Article after obtaining the consent of a foreign commodity derivatives broker (meaning a foreign commodity derivatives broker prescribed in Article 2, item (ii) of the Order) from among the persons stated in the following sub-items (a) through (d), and with regard to the matters stated in items (iii) and (iv) of that Article by considering them to be matters that a commodity derivatives broker may specify:
- (a) when the commodity derivatives broker holds shares or contributions related to 50 percent or more of the voting rights (meaning voting rights prescribed in Article 9, paragraph (1), item (iii) of the Order; the same applies below in this Article (except for (b))) for all shareholders, all company members, all members, all partners, or all investors of a foreign corporation or other foreign organization, under its own name or that of another person, the foreign corporation or the other foreign organization (referred to below as a "foreign subsidiary company" in this Article);
  - (b) when the commodity derivatives broker has shares related to 50 percent or more of the voting rights (meaning voting rights prescribed in the main clause of Article 86, paragraph (1) of the Act; the same applies in this (b)) of all of its shareholders held by a foreign corporation or other foreign organization under its own name or that of another person, the foreign corporation or the other foreign organization (referred below to as the "foreign parent company" in this Article);
  - (c) when the foreign parent company of the commodity derivatives broker holds shares or contributions related to 50 percent or more of the voting rights of all shareholders of another foreign corporation or another foreign organization under its own name or that of another person, the other foreign corporation or the other foreign organization; or
  - (d) when the corporation or other organization prescribed in (c) holds shares or contributions related to 50 percent or more of the voting rights of all shareholders of another foreign corporation or another foreign organization under its own name or that of another person, the other foreign corporation or the other foreign organization;
- (ii) an act to accept the entrustment of a transaction on a commodity market, etc., or a foreign commodity market, etc. after obtaining consent for the matters stated in items (i) through (iii) and items (v) through (vii) of the preceding Article from a customer who is a non-resident (meaning a non-resident prescribed in Article 6, paragraph (1), item (vi) of the Foreign Exchange and Foreign Trade Act; the same applies in Article 126), and with regard to the matters stated in item (iv) of that Article by considering them as matters a commodity derivatives broker may specify within the scope of the consent that has been given in consideration of time differences;

- (iii) an act to accept the entrustment of a transaction on a foreign commodity market, etc. after obtaining consent for the matters stated in items (i) through (iii) and items (v) through (vii) of the preceding Article from a customer who is a resident (meaning a resident prescribed in Article 6, paragraph (1), item (v) of the Foreign Exchange and Foreign Trade Act (excluding customers who are individuals (referred to below as an "individual customer"), and with regard to the matters stated in item (iv) of that Article by considering them as matters a commodity derivatives broker may specify within the scope of the consent that has been given in consideration of time differences;
- (iv) by obtaining consent on the total amount of funds from a requesting party, and entering into a contract in writing (including a record created in an electronic form, magnetic form or any other form that cannot be perceived by human senses; the same applies below in this item) which provides that the matters stated in the items of the preceding Article for which instructions have not been given by the requesting party are decided by way of computer processing or any other method that has been specified in advance when a certain fact occurs and a commodity derivatives broker is to execute a transaction in accordance with the decision, an act to accept the entrustment of a transaction in a commodity market, etc. or a transaction in a foreign commodity market, etc. based on the contract (limited to an act to accept the entrustment from the requesting party who understands the matters in response to the delivery of a document stating the outline of the contract and other information to be used as a reference (including the provision of information by electronic or magnetic means in place of the delivery of a document));
- (v) by obtaining consent on the matters stated in the items of the preceding Article (excluding item (iv)) from an eligible requesting party (excluding a person deemed to be a general customer pursuant to the provisions of Article 197-4, paragraph (5) or (8) of the Act and including a person deemed to be an eligible requesting party pursuant to the provisions of Article 197-5, paragraph (4) or (6) of the Act; the same applies in the following item) and an eligible commercial person (excluding a person deemed to be a general customer pursuant to the provisions of Article 197-4, paragraph (5) or (8) of the Act as applied mutatis mutandis pursuant to Article 197-8, paragraph (2) of the Act and including a person deemed to be an eligible commercial person pursuant to the provisions of Article 197-5, paragraph (4) or (6) of the Act as applied mutatis mutandis pursuant to Article 197-9, paragraph (2) of the Act; the same applies below ), an act to accept the entrustment of a transaction in a commodity market, etc. or a transaction in a foreign commodity market, etc. based on a contract which provides that a commodity



derivatives broker may specify the matters stated in item (iv) of the preceding Article within an appropriate range of consent that has been given in consideration of the quotations at the time of the consent (if there was no quotation at the time of the consent, the quotation at the time immediately before the consent) (the consent is referred to as the "specific consent" in the following item); and

- (vi) by obtaining consent from an eligible requesting party and an eligible commercial person for one of the matters stated in item (i), item (ii) and items (v) through (vii) of the preceding Article and the total amount of individual transaction and the matters stated in item (iii) or (iv) of that Article (for the matters stated in item (iv), including the specific consent), an act to accept the entrustment of a transaction on a commodity market, etc. or a transaction on a foreign commodity market, etc. based on a contract which provides that a commodity derivatives broker may specify the other matter.
- (2) In item (i) of the preceding paragraph, when the commodity derivatives broker and their foreign subsidiary company or a foreign subsidiary company of the commodity derivatives broker hold shares or contributions related to 50 percent or more of the voting rights of all shareholders of another foreign corporation or other foreign organization under their own name or of another person, the other corporation and the other organization are also deemed to be the foreign subsidiary company of the commodity derivatives broker, and when the foreign parent company of the commodity derivatives broker has shares or contributions related to 50 percent or more of the voting rights of all shareholders held by another foreign corporation or other foreign organization under its own name or that of another person, the other corporation and the other organization are also deemed to be the foreign parent company of the commodity derivatives broker.
- (3) A commodity derivatives broker who seeks to perform acts stated in the items of paragraph (1) must establish a sufficient internal administrative system in advance so that transactions, etc., in a commodity market or transactions, etc., in a foreign commodity market conducted based on the acts are not likely to result in insufficient protection of the requesting party nor likely to harm the fairness of transactions.

(Exceptions to Prohibition on Uninvited Solicitation)

Article 102-2 The acts prescribed by order of the competent ministry as referred to in Article 214, item (ix) of the Act are as follows:

- (i) an act of a commodity derivatives broker of making a visit or phone call to a customer with whom the commodity derivatives broker is in a continuous business relationship (meaning a person with whom any of the contracts stated in the following items has already been entered into with the

commodity derivatives broker (for a person with whom the contract stated in (c) or (d) has been entered into, limited to when 90 days have elapsed since the day on which the contract was entered into for the first time, and when two or more transactions were conducted under the contract within one year before the date of solicitation or when there is an unsettled balance of transactions under the contract on the date of solicitation); the same applies below in this Article) for the purpose of soliciting the conclusion of a commodity transaction contract prescribed in Article 30 of the Order (for a customer related to the contract stated in (c) or (d), excluding a contract which provides that the acts stated in Article 2, paragraph (22), item (v) of the Act are to be performed with the customer as a counterpart or on behalf of the customer; the same applies in the following item):

- (a) a commodity transaction contract prescribed in Article 30 of the Order;
- (b) a financial instruments transaction contract prescribed in Article 16-4, paragraph (1) of the Order for Enforcement of the Financial Instruments and Exchange Act;
- (c) a contract to conduct intermediation, brokerage or action as an agent for the purchase and sale of securities prescribed in Article 2, paragraph (8), item (ii) of the Financial Instruments and Exchange Act on behalf of a customer (limited to the purchase and sale that a financial instruments business operator conducts by granting credit to a customer prescribed in Article 2, paragraph (9) of that Act); and
- (d) a contract to conduct market derivatives transactions prescribed in Article 2, paragraph (21) of the Financial Instruments and Exchange Act or perform intermediation, brokerage (excluding brokerage for clearing of securities, etc. prescribed in paragraph (27) of that Article), or action as an agent for their consignment on behalf of a customer;

(ii) an act of a commodity derivatives broker of making a visit or phone call to a customer who is contracted to another company (meaning a person that has already entered into any of the contracts stated in (a) through (d) of the preceding item with a commodity derivatives broker or a financial instruments business operator, etc. prescribed in Article 34 of the Financial Instruments and Exchange Act (for a person that has entered into the contract stated in (c) or (d) of the preceding item, limited to when 90 days have elapsed since the day on which the contract was entered into for the first time, and when two or more transactions under the contract were conducted within one year before the date of solicitation, or when there is an unsettled balance of transactions under the contract as of the date of solicitation) and is other than a customer with whom the commodity derivatives broker is in a continuous business relationship; the same applies in the following item) for the purpose of soliciting the conclusion of a

commodity transaction contract prescribed in Article 30 of the Order, which is an act performed under all of the following conditions:

- (a) when confirming with a customer in advance of solicitation whether the customer has an intention to receive the solicitation, the commodity derivatives broker must provide the customer with an explanation to the effect that only a contractor of another company can enter into the commodity transaction contract, and preserve the document proving that the customer received the explanation for ten years from the day of providing the explanation;
  - (b) before entering into the commodity transaction contract, the commodity derivatives broker must confirm that the customer is a contractor of another company with a document in which the customer has declared that fact (referred to below as a "written declaration" in this item) and preserve the written declaration for ten years from the day of confirming that fact; and
  - (c) if the commodity derivatives broker enters into the commodity transaction contract and conducts a transaction in violation of the provisions of (a) or (b), or knowing that the statement in the written declaration is a misstatement, the commodity transaction contract is to provide that the transaction is deemed to have been conducted by the commodity derivatives broker on their own account;
- (iii) an act of a commodity derivatives broker of making a visit or phone call to a customer (excluding a customer with whom the commodity derivatives broker is in a continuous business relationship and a customer who is a contractor of another company) for the purpose of soliciting the conclusion of a commodity transaction contract prescribed in Article 30 of the Order (excluding a contract which provides that the acts stated in Article 2, paragraph (22), items (iii) through (v) of the Act are to be conducted with the customer as the counterpart or on behalf of the customer; the same applies below in this item), which is an act performed under all of the following conditions:
- (a) when confirming with a customer in advance of solicitation whether the customer has an intention to receive the solicitation, the commodity derivatives broker must provide the customer with an explanation to the effect that only a customer satisfying all of the following conditions may enter into the commodity transaction contract, and preserve the document proving that the customer received the explanation for ten years from the day of providing the explanation:
    - 1. the customer is younger than 65 years old;
    - 2. the customer is not a person specified by the competent minister as a person living mainly on pension;

3. the customer falls under any of the following conditions:
  - i. the customer has an annual income of eight million yen or more or financial assets (limited to cash, deposits or savings, and assets prescribed in Article 90-11, item (iv), (b) (excluding those stated in (b), 4. of that item)) totaling 20 million yen or more (referred to as the "amount of owned financial assets" in (b), 2. and (c), 2. and is a person who can be confirmed as having an appropriate understanding of the matters stated in Article 217, paragraph (1), items (i) through (iii) of the Act;
  - ii. the customer is any of the following persons (referred to as a "person with qualification" in (b), 3.):
    - a. an attorney-at-law;
    - b. a judicial scrivener;
    - c. a certified public accountant,
    - d. a certified public tax accountant; or
    - e. a person who has passed the trade skills test prescribed in Article 46, paragraph (2) of the Vocational Abilities Development Promotion Act (Act No. 64 of 1969) (limited to when the classification of occupation for the trade skills tests prescribed in Article 44, paragraph (1) of that Act is financial planning);
    - f. a sales representative prescribed in Article 64 of the Financial Instruments and Exchange Act (limited to type 1 sales representatives and special member type 1 sales representative registered with the Japan Securities Dealers Association which is an authorized financial instruments firms association prescribed in Article 2, paragraph (13) of that Act, and the sales representatives registered with The Financial Futures Association of Japan);
    - g. a securities analyst certified by the Securities Analysts Association of Japan;
  - (b) by the time of entering into the commodity transaction contract, the commodity derivatives broker must confirm that the customer satisfies the conditions stated in (a), 1. through 3. using the following document, and preserve the document for ten years from the day of confirming that fact:
    1. for the condition stated in (a), 1., an identification card or other document proving the age or the date of birth of the customer;
    2. for the condition stated in (a), 2., a document in which the customer declared their annual income and the breakdown of the amount of owned financial assets (referred to as a "written declaration of annual income and financial assets" in 3.);
    3. for the condition stated in (a), 3., a written declaration of annual income and financial assets, a document demonstrating that the customer has

appropriate understanding through a test in writing or using an electronic data processing system (limited to an electronic data processing system connecting a computer used by the commodity derivatives broker and a computer used by the customer (including input-output devices) via a telecommunications line; the same applies in Article 111) (including information recorded in a file on a computer), or a qualification certificate or other document proving that the customer is a person with qualification;

(c) the commodity transaction contract is to provide for all of the following matters:

1. that fact that the commodity derivatives broker may not solicit the conclusion of a commodity transaction contract and receive instructions from the customer concerning the matters stated in the items of Article 101, with regard to transactions related to the commodity transaction contract, within 14 days from the day of entering into the commodity transaction contract;
2. that fact that the commodity derivatives broker must set the amount of up to one-third of the sum of the customer's annual income and the amount of owned financial assets (referred to below as the "maximum amount of investment") by the day of starting trading from day the commodity transaction contract was entered into, and may not receive clearing margins, etc. exceeding the maximum amount of investment and must complete the settlement when the amount of clearing margins, etc. reaches the maximum amount of investment during the period within one year from the day of entering into the commodity transaction contract;
3. if the commodity derivatives broker falls under any of the following cases, the transaction is deemed to have been conducted by the commodity derivatives broker on their own account:
  - i. when the commodity derivatives broker enters into the commodity transaction contract and conducts a transaction in violation of the provisions of (a), (b), or (c), 1. or 2., or while knowing that the statement in the documents stated in (b), 1. through 3. is a misstatement;
  - ii. when the commodity derivatives broker conducts a transaction by receiving instructions from the customer in violation of the provisions of (c), 1.; and
  - iii. when the commodity derivatives broker receives clearing margins, etc. exceeding the maximum amount of investment or conducts a transaction without completing the settlement, in violation of the provisions of (c), 2.

(Prohibited Acts)

Article 103 (1) The acts specified by order of the competent ministry as referred to in Article 214, item (x) of the Act are those stated in the following items:

- (i) refusing to observe instructions of a requesting party, etc., refusing to perform the obligations based on the commodity transaction contract to the requesting party in whole or in part, or unjustly delaying the performance of the obligations;
- (ii) intentionally executing a transaction under their own account in opposition to a transaction related to the entrustment of a transaction in a commodity market, and conducting a transaction harmful to the interests of a requesting party;
- (iii) conducting a transaction on a customer's account without receiving an instruction from the customer (excluding a case prescribed in the entrustment contract regulations);
- (iv) reporting false distinctions between new selling or buying, or reselling or repurchasing, or falsifying other equivalent matters to the commodity exchange concerning transactions in the commodity market;
- (v) promising a customer or any person designated by a customer to provide special benefits or providing special benefits to a customer or any person designated by a customer (including having a third person promise the provision of special benefits or having a third person provide special benefits) with regard to the consignment of transactions, etc. in a commodity market;
- (vi) soliciting from a customer, without disclosing the transaction unit, the consignment of transactions, etc., in a commodity market, the consignment of transactions, etc. in a foreign commodity market, or over-the-counter derivatives transactions, or the intermediation, brokerage, or action as an agent for these transactions (referred to as "over-the-counter commodity derivatives transactions, etc." in the following item and item (viii)) (excluding eligible requesting parties (excluding those deemed to be general customers pursuant to the provisions of Article 197-4, paragraph (5) or (8) of the Act, and including those deemed to be eligible requesting parties pursuant to the provisions of Article 197-5, paragraph (4) (including as applied mutatis mutandis pursuant to Article 197-6, paragraph (6) of the Act) or Article 197-5, paragraph (6) of the Act (including as applied mutatis mutandis pursuant to Article 197-6, paragraph (6) of the Act; the same applies below)) and eligible commercial persons);
- (vii) recommending to a requesting party, etc. (excluding eligible requesting parties and eligible commercial persons) that has manifested the intention to complete settlement with regard to the request of transactions, etc. in the commodity market, request of transactions, etc. in a foreign commodity

- market, or over-the-counter commodity derivatives transactions, etc. to continue conducting the transactions;
- (viii) making an indication that would cause a misunderstanding of important matters with regard to the entrustment of transactions, etc. in the commodity market, entrustment of transactions, etc. in a foreign commodity market, or over-the-counter commodity derivatives transactions, etc., or the solicitation of these transactions;
  - (ix) with regard to transactions, etc. in the commodity market or in a foreign commodity market, accepting the consignment of transactions in opposition to the selling or buying of specific component products of listed commodities, etc. (including articles equivalent to component products of listed commodities in foreign commodity markets), and equivalent transactions (meaning transactions that would reduce the losses arising from these transactions), and which has different volumes or due dates from these transactions, from a customer (excluding eligible requesting parties and eligible commercial persons) that does not understand those transactions.
  - (x) assembling customers (excluding eligible requesting parties and eligible commercial persons) and soliciting conclusion of a commodity transaction contract prescribed in Article 214, item (ix) of the Act without explicitly stating in advance that the purpose is to solicit conclusion of a commodity transaction contract referred to in that item;
  - (xi) accepting a request of transactions in a commodity market while knowing that through causing fluctuations in quotations on commodity markets or figures calculated based on quotations on commodity markets or transaction volumes in commodity markets, or increasing the transaction volumes, will result in the formation of manipulative quotations which do not reflect the actual market status;
  - (xii) continuing to perform acts related to the commodity derivatives business in a situation in which it is recognized that the customer has not been appropriately notified regarding the delivery status and other necessary information related to transactions, etc. in a commodity market, transactions, etc. in a foreign commodity market, or over-the-counter commodity derivatives transactions, etc.;
  - (xiii) continuing the commodity derivatives business despite the situation in which the management of electronic data processing systems related to the commodity derivatives business is found to be insufficient;
  - (xiv) continuing the commodity derivatives business despite the situation in which measures to prevent acts contrary to laws and regulations related to commodity derivatives intermediary service by a commodity derivatives intermediary service provider that has requested the services are found to be insufficient;

- (xv) continuing the commodity derivatives business despite the situation in which appropriate measures for compensating losses related to problematic conduct in commodity trading by a commodity derivatives intermediary service provider that has requested the services have not been taken;
- (xvi) having a commodity derivatives intermediary service provider that has requested the services perform delivery of money or securities to a customer;
- (xvii) in conducting an over-the-counter commodity derivatives transaction with an individual customer as the counterpart, continuing the commodity derivatives business despite the situation in which the management system for the settlement of over-the-counter commodity derivatives transactions to be made (referred to in the following item as "loss-cutting transaction") when the amount of loss to be incurred by the individual customer in cases of settlement of an over-the-counter commodity derivatives transaction completed on the customer's account reaches an amount calculated according to a calculation method agreed upon in advance with the individual customer has not been developed;
- (xviii) in conducting an over-the-counter commodity derivatives transaction with an individual customer as the counterpart, continuing the commodity derivatives business despite being in a situation where the loss-cutting transaction for the over-the-counter commodity derivatives transaction is not being conducted;
- (xix) in conducting an over-the-counter commodity derivatives transaction with an individual customer as the counterpart, conducting the over-the-counter commodity derivatives transaction without having the individual customer immediately deposit the insufficient amount with the commodity derivatives broker despite the fact that the amount obtained either by adding the amount of profit generated for the customer when the over-the-counter commodity derivatives transaction is settled to the amount of the clearing margin, etc. accepted by the commodity derivatives broker from the individual customer in deposit, or by subtracting the amount of loss incurred by the customer when the over-the-counter commodity derivatives transaction is settled from the amount of the clearing margin, etc. (referred to in the following item and paragraph (4) as the "actual deposit amount"), falls short of the required on-contract deposit amount;
- (xx) in conducting an over-the-counter commodity derivatives transaction with an individual customer as the counterpart, conducting the over-the-counter commodity derivatives transaction without having the individual customer promptly deposit the insufficient amount with the commodity derivatives broker despite the fact that the actual deposit amount of the clearing margin, etc. related to the over-the-counter commodity derivatives transaction at a fixed hour each business day falls short of the required amount for



- maintenance;
- (xxi) when seeking to accept consignment of transactions, etc. in a commodity market from a customer, accepting the consignment without explaining the following matters to the customer despite the fact that the commodity derivatives broker is deliberately executing a transaction to intentionally match the transaction related to consignment of transactions, etc. in a commodity market with the transaction on the commodity derivatives broker's own account (referred to below as a "specified transaction" in this item) for a transaction in which the component products of listed commodities or the listed commodity index and the due date related to the consignment are the same:
- (a) the fact that the business operator is conducting a specified transaction;
  - (b) if a transaction related to the consignment and a transaction on the commodity derivatives broker's own account are matched as a result of a specified transaction, the fact that a conflict of interest may arise between the customer and the business operator.
- (xxii) in performing the acts stated in Article 2, paragraph (22), item (v) of the Act in the course of trade with an individual customer as the counterpart or on behalf of an individual customer, soliciting the individual customer or performing similar acts directed at the customer (excluding eligible requesting parties; the same applies below in this item) for a transaction that matches the purchase or sale of over-the-counter commodity derivatives transactions or other equivalent transactions performed by the customer (meaning transactions that reduce possible loss from these transactions);
- (xxiii) in performing the acts stated in Article 2, paragraph (22), item (v) of the Act in the course of trade with an individual customer as the counterpart or on behalf of an individual customer, not presenting the sale price (including information equivalent to the price) and the purchase price (including information equivalent to the price) at the same time when both of the prices exist;
- (xxiv) in performing the acts stated in Article 2, paragraph (22), item (v) of the Act in the course of trade with an individual customer as the counterpart or on behalf of an individual customer, not presenting the price or information equivalent to the price indicated to a customer by the commodity derivatives broker at the time of transaction to the customer who has requested the presentation of the price or information equivalent to the price;
- (xxv) continuing the commodity derivatives business despite the situation in which the management of the purchase and sale is found to be insufficient to prevent the act of accepting consignment of transactions in a commodity market, or while knowing that through causing fluctuations in quotations on commodity markets or figures calculated based on quotations on commodity

- markets or transaction volumes in commodity markets, or by increasing transaction volumes will result in the formation of manipulative quotations which do not reflect actual market status;
- (xxvi) conducting specified over-the-counter commodity option transactions despite being in a situation where the following measures are not being taken:
    - (a) when seeking to enter into a contract related to specified over-the-counter commodity option transactions, presenting the exercise price for the specified over-the-counter commodity option transactions (for a price to be determined by a specified method, its calculation method; the same applies below in this item) to an individual customer in advance;
    - (b) specifying the necessary and appropriate transaction period and due date of specified over-the-counter commodity option transactions in order to enable an individual customer to acquire and grant rights related to specified over-the-counter commodity option transactions or to conduct other transactions, based on the amount of the value that is calculated by a fair means based on the exercise period, exercise price, quotations on commodity markets, or other actual conditions of indicators and also based on the investment decisions made based on analysis of value, etc. of commodities, through the transaction period;
  - (xxvii) when the commodity transaction contract is entered into through the acts stated in the provisions of item (ii) or (iii) of the preceding Article, conducting a transaction in violation of the matters stated in item (ii), (c) or item (iii), (c), 1. through 3. of that Article which are provided for by the commodity transaction contract; and
  - (xxviii) conducting acts stated in item (ii) or (iii) of the preceding Article despite being in a situation where a system for ensuring that duties performed by the officers or employees of the commodity derivatives broker conform to the Act is not developed.
- (2) Securities may be allocated for the clearing margin, etc. referred to in items (xix) and (xx) of the preceding paragraph.
  - (3) The allocation price of the clearing margin, etc. in the case all or a part of the clearing margin, etc. to be received in deposit by the commodity derivatives broker pursuant to the preceding paragraph, is an amount to be determined by any one of the commodity exchanges or the commodity clearing organizations pursuant to the provisions of each paragraph of Article 39.
  - (4) The actual deposit amount referred to in paragraph (1), items (xix) and (xx), the required on-contract deposit amount referred to in item (xix) of that paragraph, and the required amount of maintenance referred to in item (xx) of that paragraph may be calculated in aggregate per individual customer for multiple over-the-counter commodity derivatives transactions. In this case,

with regard to the application of the provisions of item (xix) of that paragraph, in that item, the phrase "when the over-the-counter commodity derivatives transaction is settled" is deemed to be replaced by "when an over-the-counter commodity derivatives transaction conducted by the individual customer is settled", and the term "adding, or" is deemed to be replaced by "adding".

(5) The term "the required on-contract deposit amount" as used in paragraph (1), item (xix) means an amount obtained by multiplying by 5 percent the amount prescribed in each of the following items in accordance with the category of cases stated in each item; provided, however, that when the over-the-counter commodity derivatives transactions stated in these items are those in which an individual customer is to pay a certain amount of money when the rights related to these transactions are exercised, and the amount is to be calculated for the transaction, this means the amount of that money:

(i) when the amount is calculated only for the over-the-counter commodity derivatives transactions the individual customer seeks to conduct: the amount of the over-the-counter commodity derivatives transactions (when the over-the-counter commodity derivatives transactions are the transactions stated in Article 2, paragraph (14), item (iv) or (v) of the Act and the individual customer is to be the party to obtain rights related to the transactions stated in these items, zero; the same applies in item (i) of the following paragraph); or

(ii) when the amount is calculated in the aggregate for the over-the-counter commodity derivatives transaction the individual customer seeks to conduct and other over-the-counter commodity derivatives transactions that have already been conducted at the time of conducting the over-the-counter commodity derivatives transaction: an amount obtained by subtracting the amount of over-the-counter commodity derivatives transactions related to the transactions stated in Article 2, paragraph (14), items (iv) and (v) of the Act (limited to those in which the individual customer is to be the party to obtain rights related to the transactions stated in these items; the same applies in item (ii) of the following paragraph) from the sum of the amounts of these over-the-counter commodity derivatives transactions.

(6) The term "the required amount of maintenance" referred to in paragraph (1), item (xx) means an amount obtained by multiplying by 5 percent the amount specified in the following items in accordance with the category of cases stated in each item; provided, however, that when the over-the-counter commodity derivatives transactions stated in these items are those in which an individual customer is to pay a certain amount of money when the rights related to these transactions are exercised, and the amount is to be calculated for the transaction, this means the amount of that money:

(i) when the amount is calculated for each over-the-counter commodity

- derivatives transaction an individual customer conducts: the amount of the over-the-counter commodity derivatives transaction;
- (ii) when the amount is calculated in the aggregate for multiple over-the-counter commodity derivatives transactions an individual customer conducts: an amount obtained by subtracting the amount of over-the-counter commodity derivatives transactions related to the transactions stated in Article 2, paragraph (14), items (iv) and (v) of the Act from the sum of the amounts of the multiple over-the-counter commodity derivatives transactions.
- (7) The term "specified over-the-counter commodity option transaction" as used in paragraph (1), item (xxvi) means an over-the-counter commodity derivatives transaction among the transactions stated in Article 2, paragraph (14), item (iv) of the Act (limited to when the transactions closed by the exercise of rights prescribed in that item are the transactions stated in item (ii) or (iii) of that paragraph) or the transactions stated in item (v) of that paragraph, in which a certain amount of money is to be delivered or received when the rights related to these transactions are exercised.
- (8) When stated in paragraph (5), item (ii) and paragraph (6), item (ii), when a customer conducts a sale, etc. of a commodity and a purchase, etc. of a commodity for the same commodity or commodity index, among the amounts of the over-the-counter commodity derivatives transactions related to the sale or purchase, the lesser amount may be used as the amount of over-the-counter commodity derivatives transactions related to the same commodity or commodity index.
- (9) The term "the amount of the over-the-counter commodity derivatives transactions" as used in paragraph (5), paragraph (6), and the preceding paragraph means the amount prescribed in the following items in accordance with the category of over-the-counter commodity derivatives transactions stated in each item:
- (i) over-the-counter commodity derivatives transactions other than the transactions stated in Article 2, paragraph (14), item (iv) or (v) of the Act: the price of the commodities related to the over-the-counter commodity derivatives transactions or an amount obtained by multiplying the commodity price or the commodity index figure by the number or the volume of transactions; or
- (ii) the transactions stated in Article 2, paragraph (14), item (iv) or (v) of the Act: the amount obtained by multiplying the price of the commodity or the commodity index figure related to the transactions closed by the exercise of rights prescribed in these items by the number or the volume of transactions.
- (10) The term "sale, etc. of a commodity" as used in paragraph (8) means the following transactions:
- (i) the sale of a commodity; or

- (ii) the transactions stated in Article 2, paragraph (14), item (ii) or (iii) of the Act (limited to one in which the person in question will be the party to pay money when the actual price or actual figure exceeds the contract price, etc.).
- (11) The term "purchase, etc. of a commodity" as used in paragraph (8) means the following transactions:
  - (i) the purchase of a commodity; or
  - (ii) the transactions stated in Article 2, paragraph (14), item (ii) or (iii) of the Act (limited to one in which the person in question will be the party to pay money when the actual price or actual figure exceeds the contract price, etc.).

(Prohibited Acts When Conducting Business Related to Commodity Investment Advisory Contracts)

Article 103-2 The act specified by order of the competent ministry as referred to in Article 214-2, paragraph (2), item (ii) of the Act is the act of soliciting a customer other than one entering into the commodity investment advisory contract to conduct a commodity derivatives transaction, in order to complete a transaction related to a commodity investment advisory contract or to have the person conduct an offsetting trade without explaining that fact.

(When Confirmation of Problematic Conducts Are Not Required)

Article 103-3 (1) The cases specified by order of the competent ministry as referred to in the proviso to Article 214-3, paragraph (3) of the Act are the following cases:

- (i) cases in which a final and binding judgment of the court has been obtained;
- (ii) cases in which a court settlement has been reached (excluding those specified in Article 275, paragraph (1) of the Code of Civil Procedure (Act No. 109 of 1996); the same applies below in Article 126-20, paragraph (1), item (ii) and Article 169, paragraph (1), item (ii));
- (iii) when the settlement prescribed in Article 16 of the Civil Mediation Act (Act No. 222 of 1951) has been reached, or when the court has made a decision pursuant to the provisions of Article 17 of that Act and no objection is filed within the period prescribed in Article 18, paragraph (1) of that Act;
- (iv) when a settlement has been reached as a result of mediation by a commodity exchange, resolution of a complaint or mediation or conciliation by a commodity futures association, or mediation by an organization designated by the competent minister;
- (v) when a settlement has been reached as a result of mediation by the organization prescribed in the association rules provided for in Article 33, paragraph (1) of the Attorneys Act (Act No. 205 of 1949) or in rules specified by the provisions of the association rules, or when an arbitral award has been given by the organization;

- (vi) when a settlement has been reached as a result of the mediation prescribed in Article 19, paragraph (1) or Article 25 of the Basic Act on Consumer Policies (Act No. 78 of 1968) or a settlement has been reached through agreement prescribed in that Article;
- (vii) when a settlement has been reached as a result of certified dispute resolution procedures (meaning the certified dispute resolution procedures prescribed in Article 2, item (iii) of the Act on Promotion of Use of Alternative Dispute Resolution (Act No. 151 of 2004); the same applies in Article 126-20, paragraph (1), item (vii) and Article 169, paragraph (1), item (vi)) taken by a certified dispute resolution business operator (meaning the certified dispute resolution business operator prescribed in Article 2, item (iv) of that Act, limited to when the dispute related to commodity derivatives business falls within the scope of disputes prescribed in Article 6, item (i) of that Act; the same applies in Article 126-20, paragraph (1), item (vii) and Article 169, paragraph (1), item (vi));
- (viii) cases in which a settlement has been reached and they satisfy all of the following requirements:
  - (a) an attorney-at-law or a judicial scrivener (limited to cases of carrying out the affairs stated in Article 3, paragraph (1), item (vii) of the Judicial Scriveners Act (Act No. 197 of 1950); the same applies in Article 126-20, paragraph (1), item (viii), (a) and Article 169, paragraph (1), item (vii), (a)) has acted as the customer's counsel concerning the settlement procedures;
  - (b) the amount to be paid to the customer by the commodity derivative brokers due to the settlement being reached does not exceed ten million yen (or, the amount prescribed in Article 3, paragraph (1), item (vii) of the Judicial Scriveners Act if the judicial scrivener stated in (a) represents the customer; the same applies in Article 126-20, paragraph (1), item (viii), (b) and Article 169, paragraph (1), item (vii), (b)); and
  - (c) a document proving that the attorney-at-law or judicial scrivener referred to in (a) has investigated and confirmed that the payment referred to in (b) is to be made in order to compensate for all or part of the loss due to a problematic conduct (meaning a problematic conduct prescribed in the main clause of Article 221, paragraph (2) of the Act; the same applies below in this Article through Article 103-5) and has been delivered to the commodity derivatives broker;
- (ix) when the representative, an agent, an employee, or other worker (referred to below as the "representative, etc.") of the commodity derivatives broker has caused a loss to a customer by the acts stated in the items of Article 112, paragraph (1), and the amount of property benefits for which an offer or promise is made or is provided to the customer for the loss incurred by the customer in a daily trading does not exceed the amount equivalent to one

- hundred thousand yen; and
- (x) cases in which the representative, etc. of the commodity derivatives broker has caused a loss to a customer by the act stated in Article 112, paragraph (1), item (iii) or (iv) (limited to cases in which it is clear from the books prescribed in Article 222 of the Act or a record of the content of an order by a customer that the cause is a problematic conduct).
- (2) The benefits referred to in item (ix) of the preceding paragraph are calculated for each of the category of acts stated in the items of Article 112, paragraph (1). In this case, with regard to the amount of benefits related to the category of acts stated in items (iii) and (iv) of that paragraph, the amount of property benefits for which an offer or promise is made or is provided when stated in item (x) of the preceding paragraph is to be deducted.
- (3) When stated in item (iv) (limited to a settlement reached as a result of the resolution of a complaint by a commodity futures association or mediation by an organization designated by the competent minister) and items (v) through (x) of paragraph (1), if a commodity derivatives broker has made an offer or promise to provide property benefits or has provided property benefits to a customer without obtaining the confirmation referred to in the proviso to Article 214-3, paragraph (3) of the Act, the matters stated in the items of Article 103-5 must be reported to the competent minister by the last day of the month following the month that includes the date on which the offer, promise or provision was made; provided, however, that if the person that makes the report is a member of a commodity futures association, the report must be made through the commodity futures association.

(Procedures of Applications for Confirmation of Problematic Conducts)

Article 103-4 A person that seeks to obtain the confirmation referred to in the proviso to Article 214-3, paragraph (3) of the Act must submit a written application and a document under the provisions of paragraph (5) of that Article to the competent minister; provided, however, that if the person that seeks to obtain the confirmation is a member of a commodity futures association, the submission must be made through the commodity futures association.

(Information to Be Stated in Written Applications for Confirmation)

Article 103-5 The information specified by order of the competent ministry as referred to in Article 214-3, paragraph (5) of the Act is the following information:

- (i) the trade name or name of the commodity derivatives broker;
- (ii) the name and location of the head office, branch office or other business office or office where the problematic conduct occurred;

- (iii) the following information concerning the fact for which confirmation is sought:
  - (a) the name of the representative, etc. or the department that was involved in the act that falls under a problematic conduct; and
  - (b) the name and address of the customer (or, in cases of a corporation, the trade name or name, the location of the head office or principal office, and the name of the representative);
  - (c) the outline of the problematic conduct;
  - (d) the reason that the loss incurred by the customer related to the compensation has been caused by the problematic conduct;
  - (e) the amount of property benefits for which an offer or promise will be made or that will be provided; and
- (iv) other information to be used as a reference.

(Documents Attached to Written Applications for Confirmation)

- Article 103-6 (1) The document specified by order of the competent ministry as referred to in Article 214-3, paragraph (5) of the Act is a document proving that the customer has confirmed the content of the information stated in the items of the preceding Article and any other material to be used as a reference.
- (2) The provisions of the preceding paragraph do not apply when the written application under the provisions of Article 214-3, paragraph (5) of the Act concerns an offer referred to in paragraph (1), item (ii) of that Article.

(Information to Be Entered in All Documents Required to Be Delivered Before the Conclusions of Commodity Transaction Contracts)

- Article 104 (1) The information specified by order of the competent ministry as referred to in Article 217, paragraph (1), item (iv) of the Act is as follows:
- (i) the trade name or name of the commodity derivatives broker;
  - (ii) the name and location of the head office or principal office of the commodity derivatives broker;
  - (iii) the fact that the commodity derivatives broker is a commodity derivatives broker; and
  - (iv) that the content of the document for delivery before the conclusion of contract should be thoroughly read;
  - (v) an outline of the commodity transaction contract;
  - (vi) when there is a risk of the customer incurring a loss with regard to a transaction based on the commodity transaction contract due to a fluctuation in the quotations, etc. on a commodity market (excluding the case in which there is a risk that the amount of loss may exceed the amount of the clearing margin, etc.), that fact and its reason;
  - (vii) when there is a risk that the amount of loss referred to in the preceding



- item may exceed the amount of the clearing margin, etc., the reason; and
- (viii) when there is a risk that the customer may incur a loss for a transaction based on the commodity transaction contract due to changes in the status of the business or property of the commodity derivatives broker or other persons, (excluding when there is a risk that the amount of loss may exceed the amount of the clearing margin, etc.), the following information:
- (a) the relevant person; and
  - (b) the fact that there is a risk that the customer may incur a loss due to changes in the status of the business or property of the relevant person, and its reason.
- (ix) when there is a risk that the amount of loss referred to in the preceding item may exceed the amount of the clearing margin, etc., the following information:
- (a) the relevant person; and
  - (b) the fact that there is a risk that the amount of loss due to changes in the status of the business or property of the relevant person may exceed the amount of the clearing margin, etc., and its reason;
- (x) the type of the clearing margin, etc. and its amount or calculation method, the type of property that may be appropriated for the clearing margin, etc. and the appropriation value or other equivalent item, and the timing and method for the customer to deposit the clearing margin, etc. and the timing and method to receive the refund of the clearing margin, etc.;
- (xi) when there is a risk that a need may arise to deposit additional clearing margin, etc. due to fluctuations in quotations, etc. on commodity markets, that fact;
- (xii) the amount by type of fees, etc. or maximum amount of the fees, etc., their calculation method, and the sum or maximum amount of the fees, etc. and their calculation method (if the information cannot be stated, that fact and the reason for this);
- (xiii) the timing and method for collection of fees, etc. from the customer;
- (xiv) the method of performance of obligations arising from transactions based on the commodity transaction contract and the method of settlement of transactions based on the commodity transaction contract;
- (xv) when a transaction based on the commodity transaction contract is a transaction, etc. in a commodity market or a transaction, etc. in a foreign commodity market (meaning a transaction, etc. in a foreign commodity market prescribed in Article 242 of the Act), the name or trade name of the commodity exchange or the foreign commodity market establisher related to these transactions;
- (xvi) when a transaction based on the commodity transaction contract is an over-the-counter commodity derivatives transaction and there is a difference

- between the sale price and purchase price for a commodity indicated by a commodity derivatives broker (in cases of transactions stated in the following sub-items (a) through (d), including those prescribed in sub-items (a) through (d)), that fact:
- (a) in the cases of the transactions stated in Article 2, paragraph (14), item (ii) or (iii) of the Act: the contract price, etc. for a transaction for which the person in question will be the party to pay money, and the contract price, etc. for a transaction for which the person in question will be the party to receive the money, or items similar to them, when the actual price exceeds the contract price, etc.;
  - (b) in the cases of the transactions stated in Article 2, paragraph (14), item (iv) or (v) of the Act: the amount of consideration for rights of the transaction for which the person in question will be the party to grant the rights prescribed in item (iv) or (v) of that paragraph, and the amount of consideration for the rights of the transaction for which the person in question will be the party to obtain the rights; or
  - (c) in the cases of the transactions stated in Article 2, paragraph (14), item (vi) of the Act: the price of the commodity or the commodity index at the start of the agreed period for the transaction for which the person in question will be the party to pay money when the price of the commodity or the commodity index increases in the agreed period, and the price of the commodity or commodity index at the start of the agreed period for the transaction for which the person in question will be the party to receive money when the price of the commodity or the commodity index increases in the agreed period, or similar items;
  - (xvii) when there is a reason for termination of the commodity transaction contract, the content of the reason;
  - (xviii) an outline of taxation concerning the commodity transaction contract;
  - (xix) matters concerning procedures for transactions based on the commodity transaction contract;
  - (xx) important terminology and other fundamental matters concerning transactions based on the commodity transaction contract;
  - (xxi) an outline of the content and method of the commodity derivatives business conducted by the commodity derivatives broker;
  - (xxii) the means for the customer to contact the commodity derivatives broker; and
  - (xxiii) the name of a commodity futures association to which the commodity derivatives broker belongs.
- (2) When two or more commodity derivatives brokers are required to deliver the document for delivery before conclusion of a contract to a customer pursuant to provisions of Article 217, paragraph (1) of the Act for one commodity

derivatives transaction, when any one of the commodity derivatives brokers delivers the document for delivery before conclusion of a contract stating the information specified in the items of the preceding paragraph, the other commodity derivatives brokers need not state the information specified in the items of the preceding paragraph (limited to information related to that one commodity derivatives transaction) in the document for delivery before conclusion of a contract, notwithstanding the provisions of the preceding paragraph; provided, however, that this does not apply when the other commodity derivatives broker conducts any of the actions as an agent prescribed in the items of Article 2, paragraph (22) of the Act in the course of trade for customers.

(Special Provisions for Information to Be Stated in Documents for Delivery Before Entering into Contracts Related to Commodity Transaction Contracts That Provide for Performing the Acts Stated in Article 2, Paragraph (22), Item (v) with Individual Customers as the Counterparts or On Behalf of Individual Customers)

Article 105 (1) In addition to the information stated in the items of paragraph (1) of the preceding Article, the information specified by order of the competent ministry as referred to in Article 217, paragraph (1), item (iv) of the Act when a commodity transaction contract sought to be entered into has an individual customer as the counterpart or provides for the acts stated in Article 2, paragraph (22), item (v) of the Act to be performed on behalf of an individual customer is the following information:

(i) in cases of conducting transactions in a commodity market or a foreign commodity market in which commodities or commodity indices that are the subject of transactions performed by the individual customer, purchase and sale related to the over-the-counter commodity derivatives transactions, and other equivalent information are the same, for the purpose of reducing losses that may occur from the over-the-counter commodity derivatives transactions that the commodity derivatives broker conducts with an individual customer as the counterpart, or over-the-counter commodity derivatives transactions with another commodity derivatives broker or another person (referred to below as "other commodity derivatives broker" in this item and the following item) as the counterpart (referred to below as "cover deal" in this item), the name or trade name of the commodity market or foreign commodity market establisher related to the cover deal (for the name or trade name of a foreign commodity market establisher, including an indication translated into Japanese), or the trade name or name and the business content of the other commodity derivatives broker, etc. that will be the counterpart to the cover deal (if the other commodity derivatives broker, etc. is a foreign corporation,

- including the trade name or name indicated by translating it into Japanese and the name of the authority of a foreign country from which the other commodity derivatives broker, etc. receives supervision);
- (ii) when the commodity derivatives broker performs intermediation, brokerage, or action as an agent for over-the-counter commodity derivatives transactions on behalf of an individual customer, the trade name, name and business content of the other commodity derivatives broker, etc. that will be the counterpart for the intermediation, brokerage, or action as an agent (referred to below as "counterpart of intermediation, etc." in this item) (if the counterpart of intermediation, etc. is a foreign corporation, including indication of the trade name or name translated into Japanese and the name of the authority of a foreign country from which the counterpart of intermediation, etc. receives supervision);
  - (iii) information concerning prohibited acts when the commodity derivatives broker performs the acts stated in Article 2, paragraph (22), item (v) with an individual customer as the counterpart or on behalf of an individual customer in the course of trade; and
  - (iv) the information concerning measures based on the provisions of Article 210, item (ii) of the Act.
- (2) The provisions of paragraph (2) of the preceding Article apply mutatis mutandis to the cases referred to in the preceding paragraph. In this case, the phrase "the items in the preceding paragraph" in paragraph (2) of that Article is deemed to be replaced by "the items in Article 105, paragraph (1)".

(Method of Making Entries in Documents for Delivery Before Conclusions of Contracts)

- Article 106 (1) The information stated in the items of Article 217, paragraph (1) of the Act must be stated in documents for delivery before conclusion of a contract clearly and accurately using letters and numbers of a size of at least 8 points specified by the Japan Industrial Standards Z8305; provided, however, that the following information must be stated clearly and accurately inside the box using letters and numbers of a size of at least 12 points specified by the Japan Industrial Standards Z8305:
- (i) the information stated in Article 217, paragraph (1), item (ii) of the Act;
  - (ii) an outline of the information stated in Article 104, paragraph (1), items (vi) through (ix) and the information stated in item (xii) of that paragraph;
  - (iii) the information stated in Article 105, paragraph (1), items (i) and (iv).
- (2) Notwithstanding the provisions of the main clause of the preceding paragraph, the information stated in Article 104, paragraph (1), item (iv) is to be stated in plain language at the beginning of the document for delivery before conclusion of a contract using letters and numbers of a size of at least 12 points specified

by the Japan Industrial Standards Z8305.

(Method of Explanation)

Article 107 When a commodity derivatives broker seeks to provide explanations to a customer pursuant to the provisions of Article 218, paragraph (1) of the Act, the commodity derivatives broker must deliver the document for delivery before conclusion of a contract to the customer before the explanation.

(Cases in which Explanation is not Required for Commodity Derivatives Transactions)

Article 108 If two or more commodity derivatives brokers are required to explain to a customer the information stated in the items of Article 217, paragraph (1) of the Act concerning one commodity derivatives transaction, when any one of the commodity derivatives brokers has explained the information, other commodity derivatives brokers need not explain the information, notwithstanding the provisions of Article 218, paragraph (1) of the Act (limited to information related to the one commodity derivatives transaction); provided, however, that this does not apply when other commodity derivatives brokers perform any of the actions as an agent prescribed in the items of Article 2, paragraph (22) of the Act in the course of trade.

(Information Requiring Notifications at the Times of Closing Transactions)

Article 109 (1) The information specified by order of the competent ministry as referred to in the main clause of Article 220, paragraph (1) of the Act is as follows:

- (i) the volume or the number per commodity or commodity index that is the subject of the transaction closed (including those specifying the publishers of component products of listed commodities and commodity price or other subjects of transactions; the same applies in the following item and item (x));
- (ii) the amount of consideration and the contract price, etc. for each commodity or commodity index that are the subjects of the transaction closed (if the transaction closed has been performed in order to settle an already closed transaction, including the amount of consideration and the contract price, etc. for the already closed transaction);
- (iii) the date and time of receiving instructions from the requesting party, etc. for the transaction closed;
- (iv) the date and time of closing the transaction;
- (v) the trade name or name of the commodity derivatives broker;
- (vi) the name and location of the head office or principal office of the commodity derivatives broker;
- (vii) the name of the requesting party, etc.;

- (viii) the means for the requesting party, etc. to contact the commodity derivatives broker;
- (ix) the type of transaction closed;
- (x) the commodity or commodity index that will be the subject of the transaction closed;
- (xi) the due date of the transaction closed; and
- (xii) distinction of sales and purchases (in cases of the transactions stated in the following sub-items (a) through (c), distinction of the transactions prescribed in sub-items (a) through (c)):
  - (a) the transactions stated in Article 2, paragraph (3), items (ii) and (iii) of the Act (including foreign commodity market transactions similar to them), and the transactions stated in paragraph (14), items (ii) and (iii) of that Article: the transactions for which the person in question will be the party to pay money or for which they will be the party to receive money if the actual price or the actual figure exceeds the contract price, etc.;
  - (b) the transactions stated in Article 2, paragraph (3), item (iv) of the Act (including foreign commodity market transactions similar to them), and the transactions stated in paragraph (14), items (iv) and (v) of that Article: the transactions for which the person in question will be the party to grant the rights prescribed in these items, or for which the person in question will be the party to obtain the rights; or
  - (c) the transactions stated in Article 2, paragraph (3), items (v) and (vi) of the Act (including foreign commodity market transactions similar to them), and the transactions stated in paragraph (14), item (vi) of that Article: the transactions for which the person in question will be the party to pay money or for which they will be the party to receive money if the commodity price or the commodity index increases in the agreed period;
- (xiii) the type and amount of clearing margin, etc. related to the transaction closed (when the clearing margin, etc. cannot be calculated for each individual closed transaction or when a contract related to the clearing margin or other security money for transactions related to a commodity transaction contract is not entered into for each transaction, that fact and the calculation method of the amount of the clearing margin, etc.);
- (xiv) information concerning fees, etc.;
- (xv) the amount and calculation method of money to be paid by a requesting party, etc., or the amount and calculation method of money to be received by the requesting party, etc.;
- (xvi) if the transaction closed is a transaction in a commodity market or a transaction in a foreign commodity market, the name or trade name of the commodity exchange or foreign commodity market establisher related to the transaction; and

(xvii) information concerning measures based on the provisions of the items of Article 210 of the Act.

- (2) If a transaction in a commodity market or a foreign commodity market (referred to below as "transaction in a commodity market, etc." in this paragraph) is closed in which a give-up action is performed (meaning the act of having a sale or a purchase related to a transaction in a commodity market, etc. (if the transaction in a commodity market, etc. is one of the transactions stated in the following items, a transaction prescribed in the following items; the same applies below in this paragraph) extinguished toward the future and at the same time, newly generating a sale or a purchase related to a transaction in a commodity market, etc. with the same content as the extinguished sale or purchase related to a transaction in a commodity market, etc. under the name of another member, etc.; the same applies below), in the information stated in item (xiv) of the preceding paragraph, the fees, etc. to be received directly from the requesting party by the order executing member, etc. (meaning the member, etc. for whom the sale or the purchase to a transaction in a commodity market, etc. has been extinguished toward the future under their name because the give-up action was performed; the same applies below) and the clearance executing member, etc. (meaning the member, etc. for whom the sale or the purchase related to a transaction in a commodity market, etc. has been newly generated under their name because the give-up action was performed; the same applies below) are to be stated;
- (i) the transactions stated in Article 2, paragraph (3), items (ii) and (iii) of the Act (including foreign commodity market transactions similar to them), and the transactions stated in paragraph (14), items (ii) and (iii) of that Article: the transactions for which the person in question will be the party to pay money or for which they will be the party to receive money when the actual price or the actual figure exceeds the contract price, etc.;
  - (ii) the transactions stated in Article 2, paragraph (3), item (iv) of the Act (including foreign commodity market transactions similar to them), and the transactions stated in paragraph (14), items (iv) and (v) of that Article: the transactions for which the person in question will be the party to grant the rights prescribed in these items or for which the person in question will be the party to obtain the rights;
  - (iii) the transactions stated in Article 2, paragraph (3), items (v) and (vi) of the Act (including foreign commodity market transactions similar to them), and the transactions stated in paragraph (14), item (vi) of that Article: the transactions for which the person in question will be the party to pay money or for which the person in question will be the party to receive money when the commodity price or the commodity index increases in the agreed period.
- (3) If two or more commodity derivatives brokers are required to give notification

to the requesting party, etc. pursuant to the provisions of the main clause of Article 220, paragraph (1) of the Act concerning one commodity derivatives transaction, when any one of the commodity derivatives brokers has given notification of the information stated in the items in paragraph (1), other commodity derivatives brokers need not give notification of the information stated in items of that paragraph, notwithstanding the provisions of that paragraph (limited to the information related to the one commodity derivatives transaction); provided, however, that this does not apply when other commodity derivatives brokers conduct any of the actions as an agent prescribed in the items of Article 2, paragraph (22) of the Act on behalf of the requesting party, etc. in the course of trade.

(When Notifications of Closings of Transactions Are Not Required)

Article 109-2 (1) The cases prescribed by order of the competent ministry as referred to in the proviso to Article 220, paragraph (1) of the Act are the following:

- (i) if an over-the-counter commodity derivatives transaction is closed, and a written contract stating the terms of the over-the-counter commodity derivatives transaction is to be delivered when the over-the-counter commodity derivatives transaction is closed;
  - (ii) when a give-up action is performed, and the requesting party, etc., the order executing member, etc., and the clearance executing member, etc. have agreed in writing in advance that information for which notification should be given pursuant to the provisions of the main clause of Article 220, paragraph (1) of the Act, is to be given to the requesting party, etc. by the clearance executing member, etc. in place of the order executing member;
- (2) A commodity derivatives broker may provide the information required to be stated in a written contract (referred to below in this Article as "information to be stated") by electronic or magnetic means (excluding the means stated in Article 90-3, paragraph (1), item (i), (d); the same applies in this Article) in place of delivery of the written contract referred to below in item (i) of the preceding paragraph, as prescribed in the following paragraph, with the permission of the requesting party, etc. In this case, the commodity derivatives broker is deemed to have delivered the written contract.
- (3) When seeking to provide the information to be stated pursuant to the provisions of the preceding paragraph, the commodity derivatives broker must indicate the type and content of the electronic or magnetic means to be used which are stated in Article 90-3, paragraph (1), item (i), sub-items (a) through (c), and obtain approval in writing or by means of using information communication technology.
- (4) A commodity derivatives broker that has obtained approval pursuant to



provisions of the preceding paragraph must not provide the information to be stated by means of using information communication technology when a requesting party, etc. has made a request in writing or by means of using information communication technology that they will not receive the provision by electronic or magnetic means; provided, however, that this does not apply in a case in which the requesting party, etc. has given approval pursuant to the provisions of that paragraph at another time;

- (5) The provisions of Article 90-3, paragraph (2) (excluding item (iii), (b) and item (iv)) apply mutatis mutandis to the provision by electronic or magnetic means referred to in paragraph (2). In this case, the phrase "specified in the stated information was conducted" in paragraph (2), item (iii) of that Article is deemed to be replaced by "was recorded".
- (6) The phrase "method of using information communication technology" as used in paragraphs (3) and (4) means the following methods:
  - (i) among the methods of using an electronic data processing system prescribed in Article 90-3, paragraph (3), the following methods:
    - (a) the method of transmitting the information via a telecommunications line that connects a computer used by a commodity derivatives broker and a computer used by the requesting party, etc., and recording the information in a file on a computer used by the receiver;
    - (b) the method of providing information related to the approval of the requesting party, etc. recorded in a file on a computer used by a commodity derivatives broker for inspection by the requesting party, etc. via a telecommunication line and recording the information related to the approval of the requesting party, etc. in a file on a computer used by the commodity derivatives broker.
  - (ii) the method of obtaining a record of the information concerning the consent or approval of the requesting party, etc. in a file prepared using an electronic or magnetic recording medium.
- (7) The methods stated in the items of the preceding paragraph must be those that enable a commodity derivatives broker to prepare a document by outputting the record in the file.

(Application, Mutatis Mutandis of the Provisions on Methods of Using Information Communications Technology for Receipt of Notice of Closing a Transaction and Receipt of Clearing Margin)

Article 110 The provisions of Article 90-3 (excluding paragraph (1), item (i), (d), paragraph (2), item (iii), (b), and item (iv)) apply mutatis mutandis to the provisions of Article 220, paragraph (2) and Article 217, paragraph (2) of the Act as applied mutatis mutandis pursuant to Article 220-2, paragraph (2) of the Act. In this case, the phrase "the last date when transactions listed in the

stated information were conducted" in Article 90-3, paragraph (2), item (iii) is deemed to be replaced with "the date when the transactions listed in the stated information were recorded".

(Delivery of Document Related to Receipt of Clearing Margin)

Article 110-2 (1) The document specified by order of the competent ministry as referred to in Article 220-2, paragraph (1) of the Act must state the following information:

- (i) the trade name of the commodity derivatives broker;
  - (ii) the means for the requesting party, etc. to contact the commodity derivatives broker;
  - (iii) the name of the requesting party, etc.;
  - (iv) the date on which the commodity derivatives broker has received the clearing margin, etc.;
  - (v) whether the clearing margin, etc. is in the form of money or securities, etc. (meaning securities and property other than money), and if the clearing margin, etc. is in the form of securities, the type (issue in cases of securities), quantity, and allocation price.
  - (vi) if the transaction related to the clearing margin, etc. is a transaction, etc. in a commodity market or a transaction, etc. in a foreign commodity market, the name or trade name of the commodity exchange or foreign commodity market establisher related to the transaction.
- (2) The document stated in the preceding paragraph must be prepared by using letters and numbers of a size of at least eight points specified by the Japanese Industrial Standards Z8305.
- (3) The provisions of paragraph (1) do not apply when the receipt of a clearing margin, etc. pursuant to the provisions of Article 220-2, paragraph (1) of the Act is a receipt through a financial institution in which the consent of the requesting party, etc. has been obtained in writing.
- (4) The provisions of Article 41, paragraphs (3) to (7) apply mutatis mutandis to the consent in writing referred to in the preceding paragraph.

(When the Public Interest or Protection of Eligible Requesting Parties Are Likely to Be Hindered)

Article 110-3 The cases specified by order of the competent ministry as referred to in the proviso to Article 220-4, paragraph (1) and the proviso to paragraph (2) of that Article are the cases prescribed in each of the following items concerning the application of the provisions stated in each item:

- (i) the provisions of Article 220 of the Act: the case in which a system that enables prompt reply to an inquiry from a requesting party, etc. concerning an individual transaction has not been developed;

- (ii) the provisions of Article 220 of the Act: the case in which a system that enables prompt reply to an inquiry from a requesting party, etc. concerning receipt of an individual clearing margin, etc. has not been developed.  
(Accumulation of Liability Reserve for Commodity Trading)

Article 111 (1) The amount of liability reserve for commodity trading to be accumulated pursuant to the provisions of Article 221, paragraph (1) of the Act is the smaller amount among the amounts stated in the following items:

- (i) the sum of the amounts stated in the following sub-items (a) through (h);
  - (a) the amount obtained by multiplying the transaction amounts of the transactions prescribed in Article 2, paragraph (3), item (i) of the Act in each business year (excluding transactions on a person's own account and the transaction stated in (e)) by the problematic conduct rate (meaning the ratio of the sum of the amount of the payment made as a result of a problematic conduct that occurred in the business years starting within three years before the commencement of the relevant business year (excluding payments related to transactions when a commodity derivatives broker receives a request of transactions, etc. in the commodity market (excluding commodity clearing transactions; the same applies below in this Article) from an eligible requesting party or eligible commercial person or receives a request of transactions, etc. in the commodity market using an electronic data processing system without carrying out solicitation) to the sum of the transaction amounts of the transactions prescribed in Article 2, paragraph (3), items (i) through (iii) of the Act and the amount of the consideration for the transactions prescribed in item (iv) of that paragraph (excluding the transaction amounts and the amount of the consideration for transactions in cases of transactions on a person's own account and when a commodity derivatives broker receives a consignment of transactions, etc. in the commodity market from an eligible requesting party or eligible commercial person or receives a request of transactions, etc. in the commodity market by using an electronic data processing system without carrying out solicitation; the same applies below in this Article) and the amount equivalent to 0.0001 percent of the transaction amounts, whichever amount is larger (when the amount of liability reserve for commodity trading that has already been accumulated (when there is an amount of money that has been used pursuant to the provisions of Article 221, paragraph (2) of the Act, the amount after deducting that amount; the same applies in the following item) is less than ten million yen, the amount obtained by adding, to the larger amount, an amount obtained by multiplying, an amount calculated by dividing the amount that has been obtained by deducting the amount of liability reserve for commodity

- trading and the amounts stated in sub-items (b) through (h) from ten million yen by multiplying the problematic conduct rate by 2, or by 0.0002 percent, whichever rate is higher (or, if the calculated amount exceeds the transaction amount in the relevant business year, the amount is the transaction amount in the relevant business year; the same applies below in this item) by the problematic conduct rate or an amount equivalent to 0.0001 percent of the calculated amount, whichever amount is greater);
- (b) the amount obtained by multiplying the transaction amount of the transactions prescribed in Article 2, paragraph (3), item (ii) of the Act (excluding transactions on a person's own account and the transactions stated in (f)) in each business year by the problematic conduct rate, or the amount equivalent to 0.0001 percent of the transaction amount, whichever is greater;
- (c) the amount obtained by multiplying the transaction amount of transactions prescribed in Article 2, paragraph (3), item (iii) of the Act (excluding transactions on a person's own account and the transactions stated in (g)) in each business year by the problematic conduct rate, or the amount equivalent to 0.0001 percent of the transaction amount, whichever is greater;
- (d) the amount obtained by multiplying the sum of the amount of consideration for transactions prescribed in Article 2, paragraph (3), item (iv) of the Act (excluding transactions on a person's own account and the transactions stated in (h)) in each business year by the problematic conduct rate, or the amount equivalent to 0.001 percent of the sum of the amount of consideration, whichever is greater;
- (e) the amount equivalent to 0.0001 percent of the sum of the transaction amount of transactions in which a commodities derivatives broker receives a request of transactions, etc. in the commodity market from an eligible requesting party and eligible commercial person, or receives a consignment of transactions, etc. in the commodity market using an electronic data processing system without carrying out solicitation, among the transactions prescribed in Article 2, paragraph (3), item (i) of the Act conducted each business year,;
- (f) the amount equivalent to 0.0001 percent of the sum of the transaction amounts of the transactions in which a commodity derivatives broker receives a request of transactions, etc. in the commodity market from an eligible requesting party and eligible commercial person or receives a request of transactions, etc. in the commodity market using an electronic data processing system without carrying out solicitation, among the transactions prescribed in Article 2, paragraph (3), item (ii) of the Act conducted each business year;

- (g) the amount equivalent to 0.0001 percent of the sum of the transaction amounts of the transactions in which a commodity derivatives broker receives a request of transactions, etc. in the commodity market from an eligible requesting party and eligible commercial person, or receives a request of transactions, etc. in the commodity market using an electronic data processing system without carrying out solicitation, among the transactions prescribed in Article 2, paragraph (3), item (iii) of the Act conducted each business year; and
- (h) the amount equivalent to 0.001 percent of the total sum of the transaction amounts of the transactions in which a commodity derivatives broker receives a request of transactions, etc. in the commodity market from an eligible requesting party and eligible commercial person or receives a request of transactions, etc. in the commodity market using an electronic data processing system without carrying out solicitation, among the transactions prescribed in Article 2, paragraph (3), item (iv) of the Act conducted each business year;
- (ii) the amount obtained by deducting the amount stated in sub-item (e) from the sum of the amounts stated in the following sub-items (a) through (h), or ten million yen, whichever is greater:
  - (a) the amount equivalent to 0.00625 percent of the transaction amounts of the transactions prescribed in Article 2, paragraph (3), item (i) of the Act (excluding transactions on a person's own account and the transactions stated in (e)) in the business year in which the transaction amounts were the largest from among each business year and each business year starting within two years before the commencement of the relevant business year (if any of these business years is less than one full year, an amount calculated by dividing the transaction amount in the business year by the number of months in the business year and multiplying the result by twelve; the same applies below);
  - (b) the amount equivalent to 0.00625 percent of the transaction amounts of the transactions prescribed in Article 2, paragraph (3), item (ii) of the Act (excluding transactions on a person's own account and the transactions stated in (f)) in the business year in which the transaction amounts were the largest from among each business year and each business year starting within two years before the commencement of the relevant business year;
  - (c) the amount equivalent to 0.00625 percent of the transaction amounts of the transactions prescribed in Article 2, paragraph (3), item (iii) of the Act (excluding transactions on a person's own account and the transactions stated in (g)) in the business year in which the transaction amounts were the largest from among each business year and each business year starting within two years before the commencement of the relevant business year;

- (d) the amount equivalent to 0.00625 percent of the transaction amounts of the transactions prescribed in Article 2, paragraph (3), item (iv) of the Act (excluding transactions on a person's own account and the transactions stated in (h)) in the business year in which the transaction amounts were the largest from among each business year and each business year starting within two years before the commencement of the relevant business year;
- (e) the amount equivalent to 0.0002 percent of the sum of the transaction amounts of the transactions prescribed in Article 2, paragraph (3), item (i) of the Act, in cases when a commodity derivatives broker receives a request of transactions, etc. in the commodity market from an eligible requesting party and eligible commercial person, or receives a request of transactions, etc. in the commodity market using an electronic data processing system without carrying out solicitation, in the business year in which the sum was the largest from among each business year and each business year starting within two years before the commencement of the relevant business year;
- (f) the amount equivalent to 0.0002 percent of the sum of the transaction amounts of the transactions prescribed in Article 2, paragraph (3), item (ii) of the Act, in cases when a commodity derivatives broker receives a request of transactions, etc. in the commodity market from an eligible requesting party and eligible commercial person or receives a request of transactions, etc. in the commodity market using an electronic data processing system without carrying out solicitation, in the business year in which the sum was the largest from among each business year and each business year starting within two years before the commencement of the relevant business year;
- (g) the amount equivalent to 0.0002 percent of the sum of the transaction amounts of the transactions prescribed in Article 2, paragraph (3), item (iii) of the Act, in cases when a commodity derivatives broker receives a request of transactions, etc. in the commodity market from an eligible requesting party and eligible commercial person, or receives a request of transactions, etc. in the commodity market using an electronic data processing system without carrying out solicitation, in the business year in which the sum was the largest from among each business year and each business year starting within two years before the commencement of the relevant business year;
- (h) the amount equivalent to 0.002 percent of the sum of the transaction amounts of the transactions prescribed in Article 2, paragraph (3), item (iv) of the Act, in cases when a commodity derivatives broker receives a request of transactions, etc. in the commodity market from an eligible requesting party and eligible commercial person, or receives a request of transactions,

etc. in the commodity market using an electronic data processing system without carrying out solicitation, in the business year in which the sum was the largest from among each business year and each business year starting within two years before the commencement of the relevant business year;

(i) the amount of liability reserve for commodity trading that has already been accumulated.

(2) When referred to in the preceding paragraph, with regard to the amount of liability reserve for commodity trading required to be accumulated within three business years from the business year in which the acts stated in Article 2, paragraph (22), item (i) or (ii) of the Act were commenced, the phrase "the amount obtained by multiplying the transaction amounts of the transactions prescribed in Article 2, paragraph (3), item (i) of the Act in each business year (excluding transactions on a person's own account and the transactions stated in (e)) by the problematic conduct (meaning the ratio of the sum of the payment made as a result of a problematic conduct that occurred in the business years starting within three years before the commencement of the relevant business year (excluding payments related to transactions when a commodity derivatives broker receives a request of transactions, etc. in the commodity market (excluding commodity clearing transactions; the same applies below in this Article) from an eligible requesting party and eligible commercial person or receives a request of transactions, etc. in the commodity market using an electronic data processing system (meaning an electronic data processing system connecting a computer used by the commodity derivatives broker and a computer (including the input-output devices) used by the customer via a telecommunications line; the same applies below in this Article) without carrying out solicitation); the same applies below in this Article) to the sum of the transaction amounts of the transactions prescribed in Article 2, paragraph (3), items (i) through (iii) of the Act and the amount of the consideration for the transactions prescribed in item (iv) of that paragraph (excluding the transaction amounts and the amount of the consideration for transactions in cases of transactions on a person's own account and when a commodity derivatives broker receives a request of transactions, etc. in the commodity market from an eligible requesting party and eligible commercial person, or receives a request of transactions, etc. in the commodity market using an electronic data processing system without carrying out solicitation; the same applies below in this Article) and the amount equivalent to 0.0001 percent of the transaction amounts, whichever amount is larger" in item (i) of the preceding paragraph is to be replaced with "the amount equivalent to 0.003 percent of the transaction amounts", the term "the larger amount" in that item is deemed to be replaced with "the equivalent amount," the phrase "multiplying

the problematic conduct rate by two, or by 0.0002 percent, whichever rate is higher" in that item is deemed to be replaced with "0.006 percent," the phrase "by multiplying the problematic conduct rate by 2, or by 0.0002 percent, whichever rate is higher" in that item is deemed to be replaced with "an amount equivalent to 0.006 percent", the phrase "the amount obtained by multiplying the transaction amount of transactions prescribed in Article 2, paragraph (8), item (iii) of the Act (excluding transactions on a person's own account and the transactions stated in (g)) in each business year by the problematic conduct rate, or the amount equivalent to 0.0001 percent of the transaction amount, whichever amount is greater" in that item is deemed to be replaced with "the amount equivalent to 0.003 percent of the transaction amount " and the phrase "the amount obtained by multiplying the sum of the consideration for transactions prescribed in Article 2, paragraph (8), item (iv) of the Act (excluding transactions on a person's own account and the transactions stated in (h)) in each business year by the problematic conduct rate, or the amount equivalent to 0.001 percent of the sum of the consideration, whichever amount is greater" in that item is deemed to be replaced with "the amount equivalent to 0.03 percent of the total sum of the consideration for transactions prescribed in Article 2, paragraph (8), item (iv) of the Act (excluding transactions on a person's own account and the transactions stated in (h)) in each business year".

#### (Problematic Conduct in Commodity Trading)

Article 112 (1) A problematic conduct specified by order of the competent ministry as referred to in the main clause of Article 221, paragraph (2) of the Act is an event in which a representative, etc. of a commodity derivatives broker causes a customer a loss by performing any of the following acts concerning the business of the commodity derivatives broker for the acts stated in the items of Article 2, paragraph (22) of the Act:

- (i) conducting commodity derivatives transactions on the requesting party's own account without confirming the content of the order by the requesting party, etc.;
- (ii) carrying out solicitations that would mislead a customer regarding the terms of trade and fluctuation in quotations, etc. on commodity markets;
- (iii) mishandling paperwork in the execution of an order by a requesting party, etc. due to negligence;
- (iv) erroneously executing an order by a requesting party, etc. due to malfunctioning of an electronic data processing system; or
- (v) performing an act in violation of laws and regulations.

(2) Notwithstanding the provisions of the preceding paragraph, a problematic conduct specified by order of the competent ministry as referred to in Article



221, paragraph (2) of the Act when Article 214-3, paragraph (3) of the Act is applied *mutatis mutandis* pursuant to Article 240-17 of the Act, is an event in which a commodity derivatives intermediary service provider or their representative, etc. causes a customer a loss by performing any of the following acts with regard to the business of the commodity derivatives intermediary service provider concerning a commodity derivatives intermediary service:

- (i) acting as an intermediary for a commodity derivatives transaction on the requesting party's own account without confirming the content of the order by the requesting party, etc.;
- (ii) carrying out solicitations that would mislead a customer regarding the terms of trade and fluctuation in quotations, etc. on commodity markets;
- (iii) mishandling paperwork in acting as an intermediary for an order by a requesting party, etc. due to negligence;
- (iv) erroneously executing an action as an intermediary for an order by a requesting party, etc. due to malfunctioning of an electronic data processing system; or
- (v) performing an act in violation of laws and regulations.

(3) Notwithstanding the provisions of paragraph (1), a problematic conduct specified by order of the competent ministry as referred to in Article 221, paragraph (2) of the Act when Article 214-3, paragraph (3) of the Act is applied *mutatis mutandis* pursuant to Article 349, paragraph (3) of the Act, is an event in which a specified over-the-counter commodity derivatives broker or their representative, etc. causes a customer a loss by performing any of the following acts with regard to the business of the specified over-the-counter commodity derivatives transactions broker concerning the business related to a specified over-the-counter commodity derivatives transaction;

- (i) mishandling paperwork due to negligence or malfunctioning of an electronic data processing system; or
- (ii) performing an act in violation of laws and regulations.

#### (Preparation of Books)

Article 113 (1) A commodity derivatives broker must prepare the following books for commodity derivatives transactions pursuant to the provisions of Article 222 of the Act:

- (i) a copy of the documents stated in the following provisions
  - (a) the provisions of Article 197-4, paragraph (3) of the Act (including as applied *mutatis mutandis* pursuant to Article 197-8, paragraph (2) of the Act);
  - (b) the provisions of Article 197-4, paragraph (11) of the Act (including as applied *mutatis mutandis* pursuant to Article 197-8, paragraph (2) of the Act);

- (c) the provisions of Article 197-5, paragraph (2) of the Act (including as applied mutatis mutandis pursuant to paragraph (9) of that Article (including as applied mutatis mutandis pursuant to Article 197-6, paragraph (6) and Article 197-9, paragraph (2) of the Act), Article 197-6, paragraph (6), and Article 197-9, paragraph (2) of the Act);
  - (d) the provisions of Article 197-5, paragraph (12) of the Act (including as applied mutatis mutandis pursuant to Article 197-6, paragraph (6) and Article 197-9, paragraph (2) of the Act)
  - (ii) books specified in the Appended Table 4
- (2) The books stated in item (i) of the preceding paragraph are to be preserved for a period of five years, and the books stated in item (ii) of that paragraph are to be preserved for ten years (seven years in cases of order forms).

(Preservation Through Electronic or Magnetic Means)

Article 114 When the content of the books stated in the items of paragraph (1) of the preceding Article is recorded by electronic or magnetic means and is preserved in a manner that enables the record to be immediately displayed using a computer or other devices as necessary, the preservation of the record may substitute for the preservation of the books prescribed in paragraph (2) of that Article. In this case, a commodity derivatives broker must take the necessary measures for preventing the loss of or damage to the record.

(Separate Accounting in Books)

Article 115 With regard to the books prescribed in the Appended Table 4 (excluding journals of commodity derivatives transactions), a commodity derivatives broker must carry out separate accounting for transactions on their own account, and transactions related to accepting entrustment of transactions on the account of the requesting party, etc. and transactions, etc. in a commodity market (limited to those stated in Article 2, paragraph (21), item (i) of the Act (excluding commodity clearing transactions) or those stated in item (iii)), and transactions related to accepting entrustment of transactions in a commodity market, etc. (limited to the brokerage prescribed in items (ii) and (iv) of that paragraph), and that for transactions related to brokerage of request of foreign commodity market transactions (excluding transactions similar to commodity clearing transactions) and accepting entrustment of brokerage of request of brokerage of request of transactions similar to commodity clearing transactions that are foreign commodity market transactions, pursuant to the provisions of Article 223 of the Act.

(Preparation of Business Reports)

Article 116 (1) The business report that a commodity derivatives broker submits

pursuant to the provisions of Article 224, paragraph (1) of the Act must be prepared according to Form No. 11.

- (2) financial statements, etc., and their annexed detailed statements must be attached to the business report referred to in the preceding paragraph.

(Submission of Written Reports on the Status of Business or Property)

Article 117 (1) A commodity derivatives broker must submit the documents stated in the following items to the competent minister within the period prescribed in each of those items, pursuant to the provisions of Article 224, paragraph (2) of the Act:

- (i) monthly reports prepared according to Form No. 12 each month: by the 20th of the month following the month subject to the report; and
  - (ii) written reports prepared according to Form No. 6 each month concerning the causes and status of litigation or mediation: by the 20th of the month following the month subject to the report.
- (2) In preparing the monthly reports referred to in item (i) of the preceding paragraph, a commodity derivatives broker must comply with generally accepted corporate accounting practices.

(Application for Authorization for Merger or Split)

Article 118 (1) In addition to the information stated in the items of Article 192, paragraph (1) of the Act, a commodity derivatives broker must submit a written application stating the following information to the competent minister when seeking to obtain authorization for a merger or split under the provisions of Article 225, paragraph (1) of the Act:

- (i) scheduled date of the merger or split; and
  - (ii) method of the merger or split.
- (2) The documents specified by order of the competent ministry as referred to in Article 225, paragraph (3) of the Act are as follows (in cases of documents certified by a public agency, limited to those prepared within three months before the date of filing the application for authorization):
- (i) a document stating the reasons for the merger or split;
  - (ii) a document stating the procedures of the merger or split;
  - (iii) the articles of incorporation of the corporation after the merger or split (in cases of a foreign corporation, a document equivalent to articles of incorporation)
  - (iv) a certificate of the registered information of the parties to the merger or split (in cases of a foreign corporation, a document equivalent to a certificate of the registered information and a certificate of the registered information for the principal office or office in Japan);
  - (v) the minutes of the shareholders meeting (including equivalent organs) of

- the parties to the merger or split and other documents proving that necessary procedures have been taken;
- (vi) financial statements, etc. for the immediately preceding three business years and their annexed detail statements of the parties to the merger or split (excluding commodity derivatives brokers) (when these documents have not been prepared, documents equivalent to them);
  - (vii) a document pledging that the parties to the merger or split (excluding commodity derivatives brokers) do not fall under any of the provisions of Article 15, paragraph (2), item (i), sub-items (c) through (e), or sub-item (i) of the Act;
  - (viii) a document specified as follows in accordance with the cases stated in each sub-item:
    - (a) when an officer of the corporation after the merger or split is a foreign national: a copy of the residence certificate, etc., and a curriculum vitae of the officer, and a document pledging that the person does not fall under any of the provisions of Article 15, paragraph (2), item (i), sub-items (a) through (k) of the Act;
    - (b) when an officer of the corporation after the merger or split is a corporation: a certificate of the registered information of the officer (in cases of a foreign corporation, a document equivalent to the certificate of the registered information), a document stating the history of the corporation, and a document pledging that the officer does not fall under the provisions of Article 15, paragraph (2), item (i), sub-item (l) of the Act;
    - (c) when an officer of the corporation after the merger or split is neither a foreign national nor a corporation: a copy of the residence certificate, etc. and a curriculum vitae of the officer, a certification issued by a public agency that the person does not fall under the provisions of Article 15, paragraph (2), item (i), sub-item (b) of the Act, and a document pledging that the person does not fall under any of the provisions of sub-item (a) and sub-items (c) through (k) of that item;
  - (ix) a document stating the method for the corporation after the merger or split to conduct commodity derivatives business;
  - (x) a document stating the personnel structure and the system for conducting business of the organization, etc. concerning the commodity futures derivatives business at the corporation after the merger or split;
  - (xi) a document stating the type of transactions to be conducted by the corporation after the merger or split and the commodities or commodity indices underlying the transactions;
  - (xii) a record of the amount of net assets of the parties to the merger or split, prepared according to Form No. 1;
  - (xiii) a document stating the outline of the organization that performs the

- operations involving internal control and the method for addressing complaints and inquiries from customers of the corporation after the merger or split, prepared according to Form No. 3;
- (xiv) when an electronic data processing system is used for the commodity derivatives business by a corporation after the merger or split, documents stating the outline, installation location, capacity, and maintenance method of the electronic data processing system, and the method of handling in the case of malfunction of the electronic data processing system;
  - (xv) a document stating the number of employees at the corporation after the merger or split who have been sentenced to imprisonment or severer punishment (including an equivalent punishment under the laws and regulations of a foreign state with regard to a business equivalent to commodity derivatives business in the foreign state), to fines pursuant to this Act or equivalent laws and regulations of a foreign state (including an equivalent punishment under the laws and regulations of a foreign state) with regard to a business within the past five years, or who have been rendered a disposition based on the provisions of the Act, and stating each of those employees' name, date of birth, address, the name of the business office or department to which the employee is assigned, their official title, whether or not the employee has been registered as a sales representative, the date the officer was punished by imprisonment or severer punishment or the fines, or have been rendered the disposition, and the reasons and the content of the punishments;
  - (xvi) a document stating the expected income and expenditures of commodity derivatives business for the business year that includes the date on which the corporation after the merger or split plans to commence the commodity derivatives business and the two business years following the business year after that business year, the commodity futures transaction business plan, and a document stating the basis for the estimation and the plan;
  - (xvii) a document stating the estimated amount of the net assets and the net assets regulation ratio (or the amount of net assets, when the requester is a person stated in the items of Article 28 of the Order) for the business year that includes the day on which the corporation after the merger or split plans to commence commodity derivatives business and the two business years following the business year after that business year, and a document stating the basis for the estimation;
  - (xviii) a document stating the names or trade names and addresses or locations of the top 10 shareholders, or company members or other investors (referred to below as "shareholders, etc." in this item) in number of voting rights held (meaning voting rights of all shareholders, all company members, all members, or all partners; the same applies below in this item), and the

- proportion of voting rights held to the total number of voting rights and the relationship with the requester (limited to cases in which the shareholders, etc. are officers of the requester or the parent company, a subsidiary company, or an affiliated company, or their officer) at the corporation after the merger or split;
- (xix) a record of an outline of the concurrent business prescribed in Article 196, paragraph (1) of the Act, prepared according to Form No. 4 concerning the corporation after the merger or split;
  - (xx) a record of an outline of the controlling relationships with other corporations prescribed in Article 196, paragraph (2) of the Act, prepared according to Form No. 5 concerning the corporation after the merger or split; and
  - (xxi) the following documents, when the acts stated in Article 2, paragraph (22), item (v) of the Act are performed by the corporation after the merger or split in the course of trade:
    - (a) a curriculum vitae of the person responsible for the management of the business;
    - (b) internal rules concerning the business
    - (c) a document stating the name of the department and the structure of the organization conducting the business;
    - (d) a document stating the standard for initiation of a transaction with a customer related to the business; and
    - (e) the written contract to be used when conducting transactions with a customer related to the business.

(Submission of Doctor's Medical Certificates)

Article 119 The competent minister may request the requester for authorization to submit a doctor's medical certificate stating the name of the illness of the person subject to the examination, whether the person has any mental impairment and the level of mental impairment, causes of the illness, post-illness progress, prospects of recovery, and other remarks for reference when an application for authorization under Article 225, paragraph (1) of the Act is filed, and the minister finds it necessary to do so for examining whether the corporation after the merger or the succeeding corporation in a company split falls under Article 15, paragraph (2), item (i), (l) of the Act (limited to the part related to (a) and (k)).

Article 120 Deleted

(Applications for Authorization for Business Transfers)

Article 121 (1) When seeking to obtain authorization for a business transfer

under the provisions of Article 228, paragraph (1) of the Act, a commodity derivatives broker is to submit to the competent minister an application stating the following information in addition to the information stated in the items of Article 192, paragraph (1) of the Act:

- (i) the scheduled date of the business transfer; and
- (ii) the method of the business transfer.

(2) The documents specified by order of the competent ministry as referred to in Article 228, paragraph (3) of the Act are as follows (in cases of documents certified by a public agency, limited to those prepared within three months before the date of the application for authorization):

- (i) a document stating the reason for the business transfer;
- (ii) a document stating the procedures of the business transfer;
- (iii) the articles of incorporation of the transferee company (in cases of a foreign corporation, a document equivalent to articles of incorporation);
- (iv) a certificate of the registered information of the parties to the business transfer (in cases of a foreign corporation, a document equivalent to a certificate of the registered information and a certificate of the registered information for the principal office or office in Japan);
- (v) the minutes of the shareholders meeting (including equivalent organs) of the parties to the business transfer and other documents proving that necessary procedures have been taken;
- (vi) financial statements, etc. and their annexed detailed statements for the immediately preceding three years of the parties to the business transfer (excluding commodity derivatives brokers) (when these documents have not been prepared, documents equivalent to them);
- (vii) a document pledging that the parties to the business transfer (excluding commodity derivatives brokers) do not fall under any of the provisions of Article 15, paragraph (2), item (i), sub-items (c) through (e), or sub-item (i) of the Act;
- (viii) a document specified as follows in accordance with the cases stated in each sub-item:
  - (a) when an officer of the transferee company is a foreign national: a copy of the residence certificate, etc. and a curriculum vitae of the officer, and a document pledging that the person does not fall under any of the provisions of Article 15, paragraph (2), item (i), sub-items (a) through (k) of the Act;
  - (b) when an officer of the transferee company is a corporation: a certificate of the registered information of the officer, a document stating the history of the corporation, and a document pledging that the officer does not fall under the provisions of Article 15, paragraph (2), item (i), (l) of the Act;
  - (c) when an officer of the transferee company is neither a foreign national

- nor a corporation: a copy of the residence certificate, etc. and a curriculum vitae of the officer, a certification issued by a public agency that the person does not fall under the provisions of Article 15, paragraph (2), item (i), (b) of the Act; and a document pledging that the person does not fall under any of the provisions of sub-item (a) and sub-items (c) through (k) of that item;
- (ix) a document stating the method for the transferee company to conduct the commodity derivatives business;
  - (x) a document stating the personnel structure and the system for conducting business of the organization, etc. concerning the commodity derivatives business at the transferee company;
  - (xi) a document stating the type of transactions to be conducted by the transferee company and the commodities and commodity indices underlying the transactions;
  - (xii) a record of the amount of net assets of the parties of the business transfer, prepared according to Form No. 1;
  - (xiii) a document stating an outline of the organization that performs the operations involving internal control and the method for addressing the complaints and inquiries from customers of the transferee company, prepared according to Form No. 3;
  - (xiv) when an electronic data processing system is used for commodity derivatives business by a transferee company, documents stating the outline, installation location, capacity, and maintenance method of the electronic data processing system, and the method of handling in the case of malfunction of the electronic data processing system;
  - (xv) a document stating the number of employees of the transferee company who have been sentenced to imprisonment or severer punishment (including an equivalent punishment under the laws and regulations of a foreign state with regard to the business equivalent to a commodity derivatives business in the foreign state) with regard to a commodity derivatives business, fines pursuant to this Act or equivalent laws and regulations of a foreign state (including an equivalent punishment under the laws and regulations of a foreign state), or have been rendered a disposition based on the provisions of the Act within the past five years, and stating each of those employees' name, date of birth, address, the name of the business office or office, the department to which the employee is assigned, their official title, whether or not the employee has been registered as a sales representative, the date the employee was punished by imprisonment or severer punishment or by the fines, or was rendered the disposition, and the reasons and the content of the punishments;
  - (xvi) a document stating the estimated income and expenditures of commodity derivatives business for the business year that includes the day on which the



- transferee company plans to commence the commodity derivatives business and the two business years following the business year after that business year, the commodity derivatives business plan, and a document stating the basis for the estimation and the plan;
- (xvii) a document stating the estimated amount of the net assets and the net assets regulation ratio (or the amount of net assets, when the requester is a person stated in the items of Article 28 of the Order) for the business year that includes the day on which the transferee company plans to commence commodity derivatives business and the two business years following the business year after that business year, and a document stating the basis for the estimation;
- (xviii) a document stating the names or trade names and addresses of the top 10 shareholders or company members or other investors (referred to below as "shareholders, etc." in this item) in number of voting rights held (meaning voting rights of all shareholders, all company members, all members, and all partners; the same applies below in this item), and the ratio of voting rights held to the total number of voting rights and the relationship with the applicant (limited when the shareholders, etc. are officers of the applicant or the parent company, a subsidiary company, or an affiliated company, or their officer) at the transferee company;
- (xix) a record of an outline of the concurrent business prescribed in Article 196, paragraph (1) of the Act, prepared according to Form No. 4 for the transferee company;
- (xx) a record of an outline of the controlling relationships concerning the transferee company with respect to other corporations prescribed in Article 196, paragraph (2) of the Act prepared according to Form No. 5;
- (xxi) the following documents, when the acts stated in Article 2, paragraph (22), item (v) of the Act are performed by the transferee company in the course of trade;
- (a) a curriculum vitae of the person responsible for the management of the business;
  - (b) internal rules concerning the business;
  - (c) a document stating the name of the department and the structure of the organization performing the business;
  - (d) a document stating the standard for initiation of a transaction with a customer related to the business; and
  - (e) the written contract to be used when conducting transactions with a customer related to the business.

(Submission of a Doctor's Medical Certificate)

Article 122 When an application for authorization under Article 228, paragraph

(1) of the Act is filed, and the competent minister finds it necessary for examining whether the transferee company falls under Article 15, paragraph (2), item (i), (l) of the Act (limited to the part related to (a) and (k)), the minister may request the applicant to submit a doctor's medical certificate stating the name of the illness of the person subject to the examination, whether the person has any mental impairment and the level of mental impairment, causes of the illness, post-illness progress, prospects of recovery, and other remarks for reference.

(Standards for Asset Liability Ratios and Current Ratios)

Article 123 The ratio specified by order of the competent ministry as referred to in Article 232, paragraph (2), item (i) of the Act is 50 to 1 and the ratio specified by order of the competent ministry as referred to in item (ii) of that paragraph is 1 to 1.

(Reasons for Business Suspension Orders)

Article 124 (1) The cases specified by order of the competent ministry as referred to in Article 232, paragraph (2), item (iii) of the Act are as follows:

- (i) when the amount of the net assets is likely to fall below the amount specified in Article 81;
  - (ii) when disputes related to commodity derivatives business frequently occur with customers or disputes related to commodity derivatives business are likely to frequently occur due to the inappropriate instruction and supervision of employees;
  - (iii) when a commodity derivatives broker entrusts the safety management of information they handle regarding an individual customer, supervision of workers, and handling of the information, and the commodity derivatives broker has not taken the necessary and appropriate measures on the supervision of the entrusted party in order to prevent the leakage, loss, or damage of the information; or
  - (iv) when a commodity derivatives broker has not taken measures to ensure that the information they handle regarding race, creed, family origin, domicile of origin, healthcare, or criminal background of an individual customer and other special non-disclosure information (meaning information learned in the course of business which has not been disclosed) is not used for a purpose other than for ensuring the appropriate operation of business and for purposes which are found to be necessary.
- (2) The provisions of Article 38 apply mutatis mutandis to the amount of the net assets under item (i) of the preceding paragraph.

(Calculation Standards for Total Amounts of Liabilities)

- Article 125 (1) When calculating the total amount of liabilities pursuant to the provisions of Article 232, paragraph (3) of the Act, the amounts to be recorded in the liability section of the balance sheet (excluding the sum of the amounts stated in Article 38, paragraph (1), items (vii) and (viii)) are to be added up.
- (2) When calculating the total amount of current assets pursuant to Article 232, paragraph (3) of the Act, a commodity derivatives broker (excluding those falling under the persons stated in items of Article 28 of the Order) is to add up the amounts to be recorded in the current assets section of the balance sheet, and a commodity derivatives broker (limited to those falling under the persons stated in Article 28 of the Order) is to round up the amounts to be recorded in the assets section of the balance sheet.
- (3) When calculating the total amount of current liabilities pursuant to Article 232, paragraph (3) of the Act, a commodity derivatives broker (excluding those falling under the persons stated in items of Article 28 of the Order) is to add up the amounts to be recorded in the current liabilities section of the balance sheet, and a commodity derivatives broker (limited to those falling under the person stated in Article 28 of the Order) is to add up the amounts to be recorded in the assets section of the balance sheet.

(Method of Calculating the Amount of Liabilities)

Article 126 The amount of liabilities prescribed in Article 34 of the Order is to be calculated by deducting the amount of liabilities for non-residents from the amount of liabilities (including the amount of the guaranteed obligation) required to be recorded in the liability section of the balance sheet.

(Information to be Stated in the Written Application for Registration)

Article 126-2 The information specified by order of the competent ministry as referred to in Article 240-3, paragraph (1), item (vi) of the Act is the following information:

- (i) in the case of an individual, when the individual engages in the ordinary business of another business operator, the trade name or name of the other business operator and the type of the business;
- (ii) in the case of a corporation, when an officer of the corporation engages in the ordinary business or conducts business of another business operator, the name of the officer, and the trade name or name and type of the other business operator, or the type of the business conducted;
- (iii) when there are two or more requested commodity derivatives brokers (meaning a requested commodity derivatives broker prescribed in Article 240-3, paragraph (1), item (iv) of the Act; the same applies below), the trade name or name of the entrusting commodity derivatives broker that compensates for loss due to a registration requester's problematic conduct

(meaning a problematic conduct prescribed in Article 240-3, paragraph (3) of the Act as applied mutatis mutandis pursuant to Article 240-17 of the Act; the same applies below in this Article and Articles 126-20 through 126-22).

(Documents Attached to Written Applications for Registration)

Article 126-3 (1) The documents specified by order of the competent ministry as referred to in Article 240-3, paragraph (2), item (iii) of the Act are the following documents (in cases of documents certified by a public agency, limited to those prepared within three months before the date of filing for registration):

(i) in the case of an individual, the following documents:

- (a) a copy of the residence certificate, etc.;
- (b) a curriculum vitae;
- (c) a certificate issued by a public agency proving that the person does not fall under the provisions of Article 31, paragraph (1), item (ii) of the Act (limited to the part related to Article 15, paragraph (2), item (i), (b) of the Act) (excluding when that person is a foreign national);

(ii) in the case of a corporation, the following documents:

- (a) a curriculum vitae of the officer (a document stating the history of the officer when the officer is a foreign corporation);
- (b) a copy of the residence certificate, etc. of the officer (when the officer is a corporation, a certificate of the registered information of the officer (in the case of a foreign corporation, a document equivalent to a certificate of the registered information));
- (c) a certificate issued by a public agency proving that the officer does not fall under the provisions of Article 15, paragraph (2), item (i), (b) of the Act (excluding when the officer is a foreign national);
- (d) a document pledging that the officer does not fall under any of the provisions of Article 15, paragraph (2), item (i), sub-item (a) and sub-items (c) through (k) of the Act (when the officer is a foreign national, sub-items (a) through (e) of that item, and when the officer is a corporation, sub-item (i) of that item);

(iii) a document stating the method for performing the commodity derivatives intermediary service;

(iv) a copy of the written contract for the entrustment contract of the business related to commodity derivatives intermediary service with the requested commodity derivatives broker; and

(v) a copy of the written contract related to the information stated in item (iii) of the preceding Article.

(2) When seeking to obtain a renewal of registration under Article 240-2, paragraph (2) of the Act, the documents specified by order of the competent ministry referred to in Article 240-3, paragraph (2), item (iii) of the Act are the

documents stated in the preceding items.

(Matters Requiring Notification by Commodity Derivatives Intermediary Service Provider)

Article 126-4 (1) The matter specified by order of the competent ministry as referred to in Article 240-6, paragraph (1) of the Act is the method for performing commodity derivatives intermediary service.

(2) A commodity derivatives intermediary service provider that gives notification pursuant to the provisions of Article 240-6, paragraph (1) of the Act must submit a document stating the content of the change, the date of the change, and the reason for the change.

(3) The documents specified by order of the competent ministry as referred to in Article 240-6, paragraph (3) of the Act are those specified in the following items in accordance with the category of cases stated in each item (in cases of documents certified by a public agency, limited to those prepared within three months before the notification):

(i) when the information stated in Article 240-3, paragraph (1), item (i) of the Act is changed: a copy of the residence certificate, etc. (in cases of a corporation, a certificate of registered information (in the case of a foreign corporation, a document equivalent to a certificate of registered information));

(ii) when the information stated in Article 240-3, paragraph (1), item (ii) of the Act is changed: the following documents:

(a) a certificate of registered information (in the case of a foreign corporation, a document equivalent to a certificate of registered information);

(b) the documents stated in the following items in accordance with the category stated in each item;

1. when a newly appointed officer is a foreign national: a copy of the residence certificate, etc. and a curriculum vitae of the officer, and a document pledging that the person does not fall under any of the provisions of Article 15, paragraph (2), item (1), sub-items (a) through (k) of the Act;

2. when a newly appointed officer is a corporation: a certificate of registered information or any alternative document, a document stating the history of the corporation, and a document pledging that the officer does not fall under the provisions of Article 15, paragraph (2), item (i), (l) of the Act;

3. when a newly appointed officer is neither a foreign national nor a corporation: a copy of the residence certificate, etc. and a curriculum vitae of the officer, a certificate issued by a public agency proving that the person does not fall under the provisions of Article 15, paragraph

- (2), item (i), (b) of the Act, and a document pledging that the person does not fall under any of the provisions of sub-item (a) and sub-items (c) through (k) of that item.
- (iii) when the information stated in Article 240-3, paragraph (1), item (iv) of the Act is changed (limited to when a new entrustment is to be accepted): a copy of the written contract of the entrustment contract related to commodity derivatives intermediary service with the requested commodity derivatives intermediary service that will accept the new entrustment.
- (iv) when the information stated in Article 126-2, item (iii) of the Act is changed (limited to when there are two or more requested commodity derivatives brokers): the following documents:
- (a) a written statement of reasons related to the change;
  - (b) the documents stated in paragraph (1), item (v) of the preceding Article;
- (v) when the method for performing commodity derivatives intermediary service is changed: the documents stated in paragraph (1), item (iii) of the preceding Article after the change.

(Notification of Discontinuation of Business)

Article 126-5 A person that gives a notification pursuant to the provisions of Article 240-7, paragraph (1) of the Act, must submit a written notification to the competent minister stating the information specified in the center column of the following table in accordance with the category stated in the left column of that table, and the attached documents specified in the right column of that table.

Matters Requiring Notification	Matters to Be Stated	Attached Documents
In the case of discontinuing commodity derivatives intermediary service	(i) Date of discontinuation	(i) When the commodity derivatives intermediary service provider is a corporation, minutes of the shareholders meeting (including an equivalent organization) or other document certifying that the necessary procedures have been taken
	(ii) Reasons for discontinuation	(ii) A document stating the clearing method of claims and debts to consignors, etc.

When the individual that is a commodity derivatives intermediary service provider has died	That fact and the date of the death	
When a corporation that is a commodity derivatives intermediary service provider has been extinguished by merger	(i) Trade name or name of the other party to the merger	A document stating the succession method of claims and debts to requesting parties, etc. to the corporation surviving the merger
	(ii) Date of the Merger	
In the case of dissolution by order commencing bankruptcy proceedings for a commodity derivatives intermediary service provider that is a corporation	(i) Date of filing of commencement of bankruptcy proceedings	(i) A copy of the public notice of the order to commence bankruptcy proceedings by the court
	(ii) Date that order for commencing bankruptcy proceedings has been given	(ii) A document stating the clearing method of claims and debts to requesting parties, etc.
In the case of dissolution for a reason other than a merger or order for commencement of bankruptcy proceedings for a commodity derivatives intermediary service provider that is a corporation	(i) Date of dissolution	(i) Minutes of the shareholders meeting (including an equivalent organ) or other document certifying that the necessary procedures have been taken
	(ii) Reasons for dissolution	(ii) A document stating the clearing method of claims and debts to consignors, etc.
In the case of succession of all or part of the commodity derivatives intermediary business by a split	(i) Name or trade name of the successor	(i) A document stating the succession method of claims and debts to requesting parties, etc. to the successor
	(ii) Date and reasons for the split	(ii) A document stating the content of the incorporation-type split plan or absorption-type split agreement and the split procedures
In the case of transfer of all of the commodity derivatives intermediary business	(i) Name or trade name of the transferee	(i) A document stating the succession method of claims and debts to requesting parties, etc. to the transferee

	(ii) Date and reasons for the transfer	(ii) A document stating the content of the business transfer agreement
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(Signs of Commodity Derivatives Intermediary Service Providers)

Article 126-6 The sign prescribed in Article 240-9, paragraph (1) of the Act is to be prepared according to Form No. 13.

(Documents Attached to Written Applications for Registrations)

Article 126-7 (1) The documents specified by order of the competent ministry as referred to in Article 200, paragraph (4) of the Act as applied mutatis mutandis pursuant to Article 240-11 of the Act are the following documents, excluding the case specified in the following paragraph:

- (i) a copy of the residence certificate, etc. of a sales representative who seeks to obtain registration;
- (ii) a document with which a sales representative and a registration applicant pledge that the sales representative who seeks to obtain registration does not fall under any of the provisions of the items of Article 201, paragraph (1) of the Act as applied mutatis mutandis pursuant to Article 240-11 of the Act; and
- (iii) a document proving that a sales representative who seeks to obtain registration has the knowledge and experience to perform the acts stated in the items of Article 200, paragraph (1) of the Act as applied mutatis mutandis pursuant to Article 240-11 of the Act in a fair and accurate manner.

(2) The documents specified by order of the competent ministry as referred to in Article 200, paragraph (4) of the Act as applied mutatis mutandis pursuant to Article 240-11 of the Act when seeking to obtain a renewal of registration under Article 200, paragraph (7) of the Act as applied mutatis mutandis pursuant to Article 240-11 of the Act are the following documents:

- (i) the documents stated in the preceding paragraph; and
- (ii) when the sales representative seeking to obtain a renewal of registration has been rendered a disposition (limited to those for which five years have not passed from the date of the disposition) under the provisions of Article 240, paragraph (1) of the Act (including as applied mutatis mutandis pursuant to Article 240-11 of the Act) in the past, a document stating the date of the disposition, the content and the reason.

(Information to Be Stated in Registers of Sales Representatives)

Article 126-8 The information specified by order of the competent ministry as



referred to in Article 200, paragraph (5) of the Act as applied mutatis mutandis pursuant to Article 240-11 of the Act, is the following:

- (i) the registration number;
- (ii) the date of registration;
- (iii) the name or trade name of the registration applicant;
- (iv) the following information concerning the sales representative:
  - (a) the address;
  - (b) whether the sales representative is an officer or an employee;
  - (c) for a person who has experience of performing the duties of a sales representative (including a sales representative related to the registration under Article 200, paragraph (1) of the Act), the trade name or name of the commodity derivatives broker or commodity derivatives intermediary service provider the person belonged to, and the duration of performance of their duties;
  - (d) for a person who has experience of performing commodity derivatives intermediary service, the duration of performance of their duties;
  - (e) when an order to suspend their duties was given pursuant to the provisions of Article 204, paragraph (1) of the Act as applied mutatis mutandis pursuant to Article 240-11 of the Act, the date of that disposition, the reason, and the period;
  - (f) when registration was revoked pursuant to the provisions of Article 204, paragraph (1) of the Act as applied mutatis mutandis pursuant to Article 240-11 of the Act, or registration was deleted pursuant to the provisions of Article 205 of the Act, the date of that disposition and the reason.

(Registration Affairs Concerning Sales Representatives by the Association)

Article 126-9 Pursuant to the provisions of Article 206, paragraph (1) of the Act as applied mutatis mutandis pursuant to Article 240-11 of the Act, the competent minister is to have an association conduct the work related to registration stated in the following items concerning the commodity derivatives intermediary service provider for which the association member that belongs to the association is the requested commodity derivatives broker:

- (i) acceptance of the written application for registration pursuant to the provisions of Article 200, paragraph (3) of the Act as applied mutatis mutandis pursuant to Article 240-11 of the Act;
- (ii) registration pursuant to the provisions of Article 200, paragraph (5) of the Act as applied mutatis mutandis in Article 240-11 of the Act;
- (iii) notification pursuant to Article 200, paragraph (6) of the Act as applied mutatis mutandis pursuant to Article 240-11 of the Act, Article 15, paragraphs (5) and (7) of the Act as applied mutatis mutandis pursuant to Article 201, paragraph (2) of the Act, as applied mutatis mutandis pursuant

- to Article 240-11 of the Act, and Article 204, paragraph (2) of the Act as applied mutatis mutandis pursuant to Article 240-11 of the Act;
- (iv) refusal of registration pursuant to the provisions of Article 201, paragraph (1) of the Act as applied mutatis mutandis pursuant to Article 240-11 of the Act;
  - (v) hearing of opinions pursuant to the provisions of Article 15, paragraph (5) of the Act as applied mutatis mutandis pursuant to Article 201, paragraph (2) of the Act, as applied mutatis mutandis pursuant to Article 240-11 of the Act;
  - (vi) acceptance of the notification pursuant to the provisions of Article 203 of the Act as applied mutatis mutandis pursuant to Article 240-11 of the Act;
  - (vii) deletion of registration and order of suspension of the duties pursuant to the provisions of Article 204, paragraph (1) of the Act as applied mutatis mutandis pursuant to Article 240-11 of the Act;
  - (viii) hearing of opinions of witnesses, submission of the opinions or reports by witnesses, or opinions by expert witnesses pursuant to the provisions of Article 158, paragraph (2) of the Act as applied mutatis mutandis pursuant to Article 204, paragraph (3) of the Act, as applied mutatis mutandis pursuant to Article 240-11 of the Act, and hearing pursuant to the provisions of Article 159, paragraph (4) of the Act; and
  - (ix) deletion of registration pursuant to the provisions of Article 205 of the Act as applied mutatis mutandis pursuant to Article 240-11 of the Act.

(Notifications Related to Registration Affairs of Sales Representatives)

Article 126-10 When seeking to give notification pursuant to the provisions of Article 206, paragraph (4) of the Act as applied mutatis mutandis pursuant to Article 240-11 of the Act, the association must submit a document stating the following information to the competent minister:

- (i) the name or trade name of the commodity derivatives intermediary service provider to which the sales representative belongs;
- (ii) the trade name or name of the requested commodity derivatives broker of the commodity derivatives intermediary service provider to which the sales representative belongs;
- (iii) the name and date of birth of the sales representative;
- (iv) the content of the registration affairs that was handled, and the date it was handled;
- (v) if the content of the registration affairs stated in the preceding item is an order for suspension of duties or deletion of registration, its reason.

(Acts Similar to Advertising)

Article 126-11 The acts specified by order of the competent ministry as referred

to in the items of Article 240-13 of the Act are the provision of information made for similar content to a large number of persons by the means of transmission by postal mail, correspondence delivery, or using a facsimile device, the means of transmitting electronic mail, the means of distributing fliers or brochures, or any other means (excluding the following means):

- (i) the means of distributing documents prepared based on a disposition by a government agency based on laws and regulations;
- (ii) the means of distributing materials related to the analysis and valuation of quotations, etc. on a commodity market which are not used in solicitations to enter into a commodity transaction contract related to acts of commodity derivatives intermediary service (meaning the acts of commodity derivatives intermediary service prescribed in Article 240-14 of the Act; the same applies below);
- (iii) the means of providing gifts and other goods (limited to those on which the information stated in sub-items (b) through (d) is clearly and accurately indicated) on which only all of the following information is indicated (when one item of the information is not indicated on a gift or other goods, including the means of providing the gift or the other goods and other goods on which the information is indicated together as a single unit):
  - (a) the name or commonly used name of a commodity transaction contract related to acts of commodity derivatives intermediary service;
  - (b) the names, trade names, or commonly used names of commodity derivatives intermediary service providers that provide information for similar content to a large number of persons by the means prescribed in this item;
  - (c) if there is a risk of a customer incurring a loss with regard to a transaction based on a commodity transaction contract related to acts of commodity derivatives intermediary service due to fluctuations in quotations, etc., on commodity markets, the fact that there is such a risk (when there is a risk of the amount of the loss to exceed the amount of the clearing margin, etc., including that fact; limited to articles on which the letters or numbers indicating the information are indicated in a size that is not substantially different from the largest letters or numbers used for indicating other information); and
  - (d) the fact that the content of documents for delivery before conclusion of a contract of a commodity transaction contract related to acts of commodity derivatives intermediary service should be thoroughly read.
- (iv) the means of having information broadcast through the broadcasting facilities of a broadcaster, the means of having customers inspect information using telecommunications lines, the content of information that is recorded onto a file in a computer used by a commodity derivatives intermediary

service provider or a person that has received a request of the business related to advertising, etc. (meaning advertising and acts prescribed in this Article; the same applies in the following Article) conducted by the commodity derivatives intermediary service provider, or the means of having information indicated to the public either indoors or outdoors on a constant basis or continuously for a certain period in which the information is posted or indicated on a signboard, a billboard, a poster, a placard or an advertising pillar, advertising board, building or any other structure, etc., or a means similar to them, in which the following information is clearly and accurately indicated and there is no indication that is significantly contradictory to facts or seriously misleading with regard to the estimated profits from conducting a commodity derivatives transaction and other information prescribed in Article 126-15:

- (a) the trade name or name of the commodity derivatives intermediary service provider;
- (b) the fact that they are a commodity derivatives intermediary service provider and the registration number of the commodity derivatives intermediary service provider;
- (c) when there is a risk of a customer incurring a loss for a transaction based on a commodity transaction contract related to acts of commodity derivatives intermediary service due to fluctuations in quotations, etc., on commodity markets, the fact that there is such a risk (when there is a risk of the amount of the loss to exceed the amount of the clearing margin, etc., including that fact; excluding the means of broadcasting using sound, limited to articles on which the letters or numbers indicating the information are indicated in a size that is not substantially different from the largest letters or numbers used for indicating other information); and
- (d) the fact that the content of documents for delivery before conclusion of a contract of a commodity transaction contract related to acts of commodity derivatives intermediary service should be thoroughly read.

(Means of Indicating in Advertisements the Content of Commodity Derivatives Intermediary Services)

Article 126-12 (1) When a commodity derivatives intermediary service provider conducts advertising or acts, etc. prescribed in the preceding Article with regard to the content of the commodity derivatives intermediary service they conduct, they must clearly and accurately indicate the information stated in the items of Article 240-13, paragraph (1) of the Act.

- (2) When a commodity derivatives intermediary service provider conducts advertising, etc. with regard to the content of the commodity derivatives intermediary service they conduct, they must indicate the information stated

in Article 36, item (iv) and Article 126-14, item (i) of the Order and Article 126-14, item (i) by using the letters or numbers in a size that is not substantially different from the largest letters or numbers used for indicating other information.

(Information Concerning the Consideration to Be Given by Customers)

Article 126-13 The information specified by order of the competent ministry as referred to in Article 36, item (i) of the Order is the amounts for each type or the upper limits of the considerations required to be given by a customer concerning a commodity transaction contract, whether they are referred to as fees, remunerations, expenses, or by any other name (excluding values related to receipt or delivery, the amount of the consideration for the transactions prescribed in Article 2, paragraph (3), item (iv) of the Act and paragraph (14), items (iv) and (v) of that Article, and the amount of the clearing margin, etc.; referred to as the "fees, etc." in this Article, Article 126-15, and Article 126-16), or the outline of their calculation method (including the ratio to the amount of transactions (meaning the amount of transactions prescribed in Article 36-2, item (iii) of the Order) based on the commodities transaction contract), and the sum of the amounts, or their upper limit or the outline of their calculation method; provided, however, that, when it is not possible to indicate them, that fact and the reasons.

(Important Matters That Have Impacts on Customers' Judgments)

Article 126-14 The matters prescribed by order of the competent ministry under Article 36, item (v) are the following matters:

- (i) if there is a risk of a customer incurring a loss for a transaction based on a commodity transaction contract related to acts of commodity derivatives intermediary service due to fluctuations in quotations, etc., on commodity markets (excluding when there is a risk that the amount of the loss exceeds the amount of the clearing margin, etc.), that fact and the reasons;
- (ii) if there is a difference between the sale price and the purchase price (in cases of transactions stated in the following sub-items (a) through (c), including those specified in the sub-items (a) through (c)) of a commodity indicated by a commodity derivatives intermediary service provider concerning over-the-counter commodity derivatives transactions based on a commodity transaction contract related to acts of commodity derivatives intermediary service, that fact;
  - (a) cases of a transaction stated in Article 2, paragraph (14), item (ii) or (iii) of the Act: if the actual price or the actual figure exceeds the contract price, etc., the contract price, etc. of a transaction for which the person in question will be the party to pay the money and the contract price, etc. of a

transaction for which the person in question will be the party to receive the money, or those similar to them;

- (b) cases of a transaction stated in Article 2, paragraph (14), item (iv) or (v) of the Act: the amount of compensation for the right of the transaction for which the person in question will be the party to grant the right prescribed in item (iv) or (v) of that paragraph and the amount of compensation for the right of the transaction for which the person in question will be the party to acquire the right; or
- (c) cases of a transaction stated in Article 2, paragraph (14), item (vi) of the Act: if the price of the commodity or the commodity index rises in the agreed period, the price of the commodity or the commodity index and the commodity at the start of the agreed period for the transaction for which the person in question will be the party to pay the money, and if the price of the commodity index rises in the agreed period, the price of the commodity or the commodity index, or a similar item at the start of the agreed period for the transaction for which the person in question will be the party to receive the money;
- (iii) if there is a fact that is disadvantageous to the customer concerning important matters related to a commodity transaction contract related to acts of commodity derivatives intermediary service, the content of the disadvantageous fact; and
- (iv) if the requested commodity derivatives broker of the commodity derivatives intermediary service provider has joined a commodity futures association, that fact and the name of the commodity futures association.

#### (Prohibition of Misleading Advertisement)

Article 126-15 The matters prescribed by order of the competent ministry as referred to in Article 240-13, paragraph (2) of the Act are the following:

- (i) matters concerning cancellation of a commodity transaction contract related to acts of commodity derivatives intermediary service;
- (ii) matters concerning all or part of the bearing of losses or guarantee of profits related to a commodity transaction contract related to acts of commodity derivatives intermediary service;
- (iii) matters concerning an agreement for liquidated damages (including any penalty) related to a commodity transaction contract related to acts of commodity derivatives intermediary service;
- (iv) matters concerning a commodity market or a foreign commodity market related to a commodity transaction contract related to acts of commodity derivatives intermediary service;
- (v) matters concerning financial resources or credit of a requested commodity derivatives broker;

- (vi) matters concerning the performance of a commodities transaction contract of a requested commodity derivatives broker; and
- (vii) matters concerning the amount of the fees, etc. required to be paid by the customer related to a commodity transaction contract related to acts of commodity derivatives intermediary service, its calculation method, or its method and time of payment, and the payee.

(Matters to Be Clearly Indicated)

Article 126-16 The matters specified by order of the competent ministry as referred to in Article 240-14, item (iv) of the Act are the following:

- (i) when there are two or more entrusting commodity derivatives brokers, and the amount or the fees, etc. to be paid by the customer for a transaction the customer seeks to conduct differs depending on the requested commodity derivatives brokers, that fact; and
- (ii) when there are two or more requested commodity derivatives brokers, the trade name or name of the requested commodity derivatives broker that is to be the counterpart to the customer's transaction.

(Persons Excluded from Persons Having Close Relationships with the Commodity Derivatives Intermediary Service Providers)

Article 126-17 The person specified by order of the competent ministry as referred to in the proviso to Article 37 of the Order is the following:

- (i) requested commodity derivatives broker of the commodity derivatives intermediary service provider;
- (ii) bank;
- (iii) cooperative financial institution;
- (iv) insurance company;
- (v) trust company; and
- (vi) The Shoko Chukin Bank, Ltd.

(Relationships That Enable Substantial Control)

Article 126-18 The relationships specified by order of the competent ministry as referred to in Article 37, item (iii) of the Order are the following relationships:

- (i) a relationship with a subsidiary company; and
- (ii) a relationship with an affiliated company.

(Prohibited Acts)

Article 126-19 The acts specified by order of the competent ministry as referred to in Article 240-16, item (iii) of the Act are the following acts:

- (i) refusing to comply with the instructions of a requesting party, etc., or refusing to perform or unjustly delay performance of the obligations to the

- requesting party, etc. based on a commodity transaction contract related to acts of commodity derivatives intermediary service in whole or in part;
- (ii) conducting acts of commodity derivatives intermediary service on the account of a customer without receiving instructions from the customer;
  - (iii) promising to provide a customer or any person designated by a customer special benefits, or providing special benefits to a customer or any person designated by a customer (including having a third person promise to provide special benefits or having a third person provide them), in relation to acts of commodity derivatives intermediary service;
  - (iv) soliciting a customer (excluding an eligible requesting party and eligible commercial person) for an act of commodity derivatives intermediary service without disclosing the transaction unit;
  - (v) recommending a customer (excluding an eligible requesting party and eligible business specialist) who has indicated the intention to complete settlement for an act of commodity derivatives intermediary service to continue conducting the transaction;
  - (vi) making an indication that would cause a misunderstanding with regard to important matters concerning acts of commodity derivatives intermediary service;
  - (vii) assembling customers (excluding an eligible requesting party and eligible business specialists) and soliciting conclusion of a commodity transaction contract without clearly indicating to the customer in advance that there is a purpose of soliciting conclusion of the commodity transaction contract prescribed in Article 240, item (ix) of the Act;
  - (viii) conducting intermediation of the request of transactions, etc. in a commodity market while knowing that through causing fluctuations in quotations on commodity markets or figures calculated based on quotations on commodity markets or transaction volumes, or by increasing the transaction volumes will result in the formation of manipulative quotations which do not reflect actual market status;
  - (ix) in cases of conducting business related to a commodities investment advisory contract, the act of soliciting a person other than a customer who has entered into a commodities investment advisory contract to conduct a commodity derivatives transaction in order to complete a transaction related to a commodities investment advisory contract, or have the person conduct an offsetting trade without explaining that fact.
  - (x) conducting acts stated in Article 102-2, item (ii) or (iii) despite the situation in which a system for ensuring that duties performed by the officers or employees of the commodity derivatives intermediary service provider conform to the Act is found not to have been developed.



(When Confirmation of Problematic Conduct Is Not Required)

- Article 126-20 (1) The cases specified by order of the competent ministry as referred to in the proviso to Article 214-3, paragraph (3) of the Act as applied *mutatis mutandis* pursuant to Article 240-17 of the Act are the following:
- (i) when a final and binding judgment rendered by a court has been obtained;
  - (ii) when a court settlement has been reached;
  - (iii) when the mediation prescribed in Article 16 of the Civil Mediation Act has been entered into, or cases in which a court decision has been made pursuant to the provisions of Article 17 of that Act and no objection is made within the period prescribed in Article 18, paragraph (1) of that Act;
  - (iv) when settlement has been reached through mediation of a commodities exchange, complaint resolution, mediation, or conciliation of a commodity futures association, or mediation of an organization designated by the competent minister;
  - (v) when settlement has been reached through mediation by the organ specified in the regulations prescribed in Article 33, paragraph (1) of the Attorneys Act or the rules established pursuant to the provisions of the regulations, or cases in which an arbitration award has been made by the organ;
  - (vi) when settlement has been reached through the mediation prescribed in Article 19, paragraph (1) or Article 25 of the Basic Act on Consumer Policies or when resolution has been reached through the agreement prescribed in those Articles;
  - (vii) when settlement has been reached through the certified dispute resolution procedures carried out by a certified dispute resolution business operator;
  - (viii) when settlement has been reached, and the cases satisfy all of the following requirements:
    - (a) an attorney-at-law or a judicial scrivener has acted as the customer's counsel concerning the settlement procedures;
    - (b) the amount to be paid to the customer by the entrusting commodity derivatives broker due to the settlement being reached does not exceed 10 million yen;
    - (c) the attorney-at-law or judicial scrivener referred to in (a) has investigated that the payment referred to in (b) is to be made in order to compensate for all or part of the loss due to a problematic conduct, and a document certifying that the confirmation has been made has been delivered to the commodity derivatives intermediary service provider and the requested commodity derivatives broker of the commodity derivatives intermediary service provider;
  - (ix) when the representative, etc. of a requested commodity derivatives broker of a commodity derivatives intermediary service provider has caused a customer a loss through an act stated in the items of Article 112, paragraph

- (2), and the property benefits for which an offer or promise is made, or is provided to the customer for the loss incurred in a daily trading does not exceed the amount equivalent to 100,000 yen; or
- (x) when the representative, etc. of a commodity derivatives intermediary service provider has caused a customer a loss through an act stated in Article 112, paragraph (2), items (iii) and (iv) (limited to cases in which it is clear from the books prescribed in Article 222 of the Act or a record of the content of an order by the customer that the cause is a problematic conduct).
- (2) The benefits referred to in item (ix) of the preceding paragraph are to be calculated for each category of acts stated in the items of Article 112, paragraph (2). In this case, with regard to the amount of benefits related to the category of acts stated in items (iii) and (iv) of that Article, the amount of property benefits for which an offer or promise is made, or is provided when stated in item (x) of the preceding paragraph is to be deducted.
- (3) When stated in item (iv) (limited to a settlement reached as a result of the resolution of a complaint by a commodity futures association or mediation by an organization designated by the competent minister) and items (v) through (x) of paragraph (1), if a requested commodity derivatives broker has made an offer or promise to provide property benefits or has provided property benefits to a customer without obtaining the confirmation referred to in the proviso to Article 214-3, paragraph (3) of the Act as applied mutatis mutandis pursuant to Article 240-17 of the Act, the matters stated in the items of Article 126-22 must be reported to the competent minister by the last day of the month following the month that includes the date on which the offer, promise or provision has been made; provided, however, that if the requested commodity derivatives broker of the person that is to make the report is a member of a commodity futures association, the report must be made through the commodity futures association.

(Procedures for Applications for Confirmation of Problematic Conducts)

Article 126-21 A person that seeks to obtain the confirmation referred to in the proviso to Article 214-3, paragraph (3) of the Act as applied mutatis mutandis pursuant to Article 240-17 of the Act, must submit a written application and a document under the provisions of Article 214-3, paragraph (5) of the Act as applied mutatis mutandis pursuant to Article 240-17 of the Act, to the competent minister; provided, however, that if the requested commodity derivatives broker of the person that seeks to obtain the confirmation is a member of a commodity futures association, the submission must be made through the commodity futures association.

(Information to Be Stated in Written Applications for Confirmation)

Article 126-22 The information specified by order of the competent ministry referred to in Article 214-3, paragraph (5) of the Act as applied mutatis mutandis pursuant to Article 240-17 of the Act, is the following:

- (i) the trade name or name of the requested commodity derivatives broker;
- (ii) the name and address of the head office, branch office, or any other business office or office where the problematic conduct occurred;
- (iii) the following information concerning the fact for which confirmation is sought;
  - (a) the name or trade name of the commodity derivatives intermediary service provider that was involved in acts falling under a problematic conduct, and the name of the representative, etc., or name of the department;
  - (b) the name and address of the customer (in cases of a corporation, the name or trade name, and the address of the head office or principal office, and name of the representative);
  - (c) an outline of the problematic conduct;
  - (d) the reason the loss of the customer to be compensated for was caused as a result of a problematic conduct;
  - (e) the amount of the property benefits sought to be offered, promised, or provided; and
- (iv) other information to be used as a reference.

(Documents Attached to Written Applications for Confirmation)

Article 126-23 (1) The document specified by order of the competent ministry as referred to in Article 214-3, paragraph (5) of the Act as applied mutatis mutandis pursuant to Article 240-17 of the Act, is a document proving that the customer has confirmed the content of the information stated in the items of the preceding Article and any other material to be used as a reference.

(2) The provisions of the preceding paragraph do not apply when the written application under the provisions of Article 214-3, paragraph (5) of the Act as applied mutatis mutandis pursuant to Article 240-17 of the Act, concerns an offer referred to in paragraph (1), item (ii) of that Article.

(Method of Explanation)

Article 126-24 (1) A requested commodity derivatives broker of the commodity derivatives intermediary service provider must deliver a document for delivery before entering into a contract to the customer before the explanation when the commodity derivatives intermediary service provider seeks to make an explanation to the customer pursuant to the provisions of Article 240-18, paragraph (1) of the Act.

(2) When prescribed in the preceding paragraph and the commodity derivatives

intermediary service provider has already delivered a document for delivery before entering into a contract, the requested commodity derivatives broker is not required to deliver the document for delivery before entering into a contract, notwithstanding the provisions of Article 217, paragraph (1) of the Act.

(Preparation of Books)

Article 126-25 (1) A commodity derivatives intermediary service provider must prepare the books prescribed in the Appended Table 5 for transactions related to commodity derivatives intermediary service pursuant to the provisions of Article 240-20 of the Act.

(2) The books prescribed in the Appended Table 5 are to be preserved for seven years.

(Preservation Through Electronic or Magnetic Means)

Article 126-26 When the content of the books prescribed in the Appended Table 5 is recorded through an electronic or magnetic means and is preserved in a manner that enables the record to be immediately displayed using a computer or other devices as necessary, the preservation of the record may substitute for the preservation of the books prescribed in paragraph (2) of the preceding Article. In this case, a commodity derivatives intermediary service provider must take the necessary measures for preventing the loss of or damage to the record.

((Preparation of Business Reports)

Article 126-27 The business report that a commodity derivatives intermediary service provider submits pursuant to the provisions of Article 240-21 of the Act must be prepared according to Form No. 14.

(Documents Attached to a Written Application for Authorization of Establishment of an Association)

Article 127 The documents specified by order of the competent ministry as referred to in Article 247, paragraph (2) of the Act are as follows (in cases of documents certified by a public agency, limited to those prepared within three months before the date of filing the application for authorization):

- (i) a document pledging that the applicant for the authorization does not fall under any of the provisions of Article 15, paragraph (2), item (i), sub-items (c) through (e), sub-item (i), or sub-item (l) of the Act;
- (ii) a copy of the residence certificate, etc. and a curriculum vitae of each officer, a certificate issued by a public agency proving that the person does not fall under Article 15, paragraph (2), item (i), sub-item (b) of the Act (excluding a

case in which the person is a foreign national), and a document pledging that the person does not fall under any of the provisions of Article 15, paragraph (2), item (i), sub-item (a) and sub-items (c) through (k) of the Act (in cases where the person is a foreign national, sub-items (a) through (k) of that item); and

(iii) the minutes of the establishment meeting.

(Submission of a Doctor's Medical Certificate)

Article 127-2 (1) The competent minister may request an applicant to submit a doctor's medical certificate stating the name of the illness of the person subject to the examination, whether the person has any mental impairment and the level of the mental impairment, causes of the illness, post-illness progress, prospects of recovery, and other remarks for reference when the application for the authorization under Article 245 of the Act is filed, and the minister finds it necessary to do so for examining whether the applicant for the authorization falls under Article 15, paragraph (2), item (i), (l) of the Act (limited to the part related to (a) and (k)).

(2) The competent minister may request an applicant to submit a doctor's medical certificate stating the name of the illness of the person subject to the examination, whether the person has any mental impairment and the level of mental impairment, causes of the illness, post-illness progress, prospects of recovery, and other remarks for reference when referred to in the preceding paragraph and the minister finds it necessary to do so for examining whether officers of the applicant for the authorization include any person who falls under Article 15, paragraph (2), item (i), (a) or (k) of the Act (limited to the part related to (a)).

(Documents Attached to Written Applications for Authorization of Changes to Articles of Incorporation)

Article 128 The documents specified by order of the competent ministry as referred to in Article 250, paragraph (2) of the Act are as follows:

- (i) a document stating the reasons for the change;
- (ii) a comparative table of the prior and amended provisions;
- (iii) in cases of a written application for authorization of a change to the articles of incorporation, minutes of the general meeting;
- (iv) in cases of application for approval of a change to sanction rules or dispute resolution rules, a document proving that the procedures for changes specified by the articles of incorporation and other rules have been completed.

(Submission of Report of Status of Complaint Processing)

Article 129 (1) After handling consultations on complaints pursuant to the

provisions of Article 259, paragraph (1) of the Act, an association is to prepare a written report on the status of the complaint processing as of the last day of each month and submit the written report to the competent minister by the 10th of the month following the month related to the report.

- (2) The following records are to be attached to the report referred to in the preceding paragraph and submitted each semiannual period:
- (i) written notices on the status of complaints processing;
  - (ii) a table stating the number of complaints received and processed by each commodity derivatives broker, etc.; and
  - (iii) a table stating the number of complaints received by each commodity exchange.

(Requirements for Members of Arbitration and Conciliation Committees)

Article 130 The requirement specified by order of the competent ministry as referred to in Article 260 of the Act is that the committee member satisfies all of the following requirements:

- (i) the person does not fall under any of the provisions of Article 15, paragraph (2), item (i), sub-items (a) through (k) of the Act;
- (ii) the person does not fall under any of the provisions of the following sub-items (a) through (j);
  - (a) a public employee who has been rendered a disposition of disciplinary dismissal and for whom two years has not elapsed from the date of the disposition;
  - (b) a person whose removal from office has been decreed by an impeachment court;
  - (c) a person who has been expelled from a bar association through disciplinary action pursuant to the provisions of the Attorneys Act or the Act on the Handling of Legal Services by Foreign Lawyers (Act No. 66 of 1986), and for whom three years have not elapsed from the date of the disposition;
  - (d) a person who has been rendered a disposition of deletion of registration as a certified public accountant, prohibition of business as a certified tax accountant, or prohibition of business as a judicial scrivener through disciplinary action pursuant to the provisions of the Certified Public Accountants Act (Act No. 103 of 1948), the Certified Public Tax Accountant Act (Act No. 237 of 1951), or the Judicial Scriveners Act, and for whom three years have not elapsed from the date of the disposition;
  - (e) the party (meaning the party (when that party is a commodity derivatives intermediary service provider, including a requested commodity derivatives broker of the commodity derivatives intermediary service provider) to a dispute related to a commodity derivatives transaction, etc.

(meaning the dispute related to a commodity derivatives transaction, etc. prescribed in Article 260 of the Act; the same applies in (h)); the same applies in below this item) or their spouse, or any person who was formerly their spouse;

- (f) a person who is or was a party's relative by blood within the fourth degree of kinship, by marriage within the third degree of kinship, or a cohabiting relative;
- (g) a person who is a guardian, a guardianship supervisor, a curator, a curatorship supervisor, an assistant or an assistantship supervisor, of a party;
- (h) a person who is or was an agent or assistant of a party for a dispute related to a commodity derivatives transaction, etc.;
- (i) a person earning income from a party through the provision of services, or a person for whom three years have not elapsed since the day on which the person ceased to earn the income; and
- (j) a person who is an officer of a commodity derivatives broker or a commodity derivatives intermediary service provider (limited to a person that is a corporation).

#### (Submission of Written Reports of the Status of Processing Mediations and Conciliations)

Article 131 When having conducted mediation or conciliation pursuant to the provisions of Article 261 of the Act, an association must prepare a written report regarding the status of processing the mediation or conciliation as of the last day of each month and submit the written report to the competent minister by the 10th of the month following the month related to the report.

Article 132 Deleted

Article 133 Deleted

#### (Documents Required to Be Attached to Applications for Authorization)

Article 134 (1) The documents prescribed by order of the competent ministry as referred to in Article 279, paragraph (2) of the Act are the following documents (in cases of documents certified by a public agency, limited to those prepared within three months before the date of filing the application for authorization):

- (i) a copy of the residence certificate, etc. and a curriculum vitae of each officer, a certification issued by a public agency that the person does not fall under the provisions of Article 15, paragraph (2), item (i), sub-item (b) of the Act (excluding when that person is a foreign national), and a document pledging that the person does not fall under any of the provisions of Article 15,

- paragraph (2), item (i), sub-item (a) and sub-item (c) through (k) of the Act (when the person is a foreign national, sub-items (a) through (k) of that item);
- (ii) the minutes of the organizational meeting;
  - (iii) the register of members (meaning the members referred to in Article 275, paragraph (1) of the Act; the same applies below); and
  - (iv) a record of the amount of net assets of that person, prepared according to Form No. 1.
- (2) When the competent minister finds it necessary for granting authorization under the provisions of Article 279, paragraph (1) of the Act, the minister may order the incorporator to submit a report or materials that should serve as a reference.

(Information to Be Stated in Operational Rules)

- Article 135 The information specified by order of the competent ministry as referred to in Article 301, paragraph (1), item (iii) of the Act is the following:
- (i) information concerning payments to the general requesting party pursuant to the provisions of Article 306, paragraph (1) of the Act;
  - (ii) information concerning the acquisition of claims to be compensated (meaning claims to be compensated prescribed in Article 306, paragraph (1) of the Act; the same applies below in this Article) pursuant to the provisions of Article 307, paragraph (4) of the Act;
  - (iii) information concerning a loan of funds under the provisions of Article 308, paragraph (1) of the Act;
  - (iv) information concerning the acceptance and management of deposits of property subject to preservation under the provisions of Article 309 of the Act;
  - (v) information concerning the business that contributes to prompt repayment of liabilities of a general requesting party prescribed in Article 310 of the Act;
  - (vi) information concerning acts in and out of the court prescribed Article 311, paragraph (1) of the Act; and
  - (vii) other information found to be necessary.

(Evaluation Method of Claims to Be Compensated)

- Article 136 The amount calculated pursuant to the provisions of order of the competent ministry as referred to in Article 306, paragraph (1) of the Act is the amount specified in the following items in accordance with the category of cases prescribed in each item:
- (i) in cases when a requesting party's assets related to claims to be compensated are money: the amount of the requesting party's assets;



- (ii) when a requesting party's assets related to claims to be compensated are securities listed on a financial instruments exchange (including similar markets established in foreign states; the same applies below in this Article): the amount calculated based on the closing prices on the financial instruments exchange on the date that the requesting party protection fund published a public notice under the provisions of Article 305, paragraph (1) of the Act (if the closing prices do not exist, indicative price quotations published by the authorized financial instruments firms association (meaning an authorized financial instruments firms association prescribed in Article 2, paragraph (13) of the Financial Instruments and Exchange Act; the same applies below) on the date of the public notice, or the closing prices on the financial instruments exchange on the nearest date before the date of the public notice, whichever is specified by the requesting party protection fund);
- (iii) when a requesting party's assets related to claims to be compensated are over-the-counter traded securities (meaning over-the-counter traded securities prescribed in Article 2, paragraph (8), item (x), (c) of the Financial Instruments and Exchange Act; the same applies below): the amount calculated based on the closing price published by an authorized financial instruments firms association to which the requesting party protection fund registers over-the-counter traded securities related to the claims to be compensated (when the over-the-counter traded securities are registered by more than one authorized financial instruments firms association, the authorized financial instruments firms association specified by the requesting party protection fund), on the date of public notice under the provisions of Article 305, paragraph (1) of the Act (if the closing price does not exist, the closing price published by the authorized financial instruments firms association on the nearest date before the date of public notice);
- (iv) when a requesting party's assets related to claims to be compensated are properties other than money and securities prescribed in the preceding three items: the amount calculated based on the closing price published on the date that the requesting party protection fund published a public notice under the provisions of Article 305, paragraph (1) of the Act, or an equivalent amount calculated by a reasonable method.

(Acceptance and Management of Deposits of Property Subject to Preservation)

Article 137 (1) When accepting all or a part of the deposit of property subject to preservation from a member commodity derivatives broker pursuant to the provisions of Article 309 of the Act, a requesting party protection fund is to accept the property pursuant to the provisions of Article 98, paragraph (1), item (ii).

(2) When managing the property subject to preservation deposited by a member

commodity derivatives broker based on the provisions of Article 309 of the Act, a requesting party protection fund must manage the property subject to preservation by the following methods, excluding the property managed based on the provisions of the following paragraph:

- (i) by depositing the funds in a bank account (limited to deposit accounts that are clearly identifiable as property subject to preservation by the account name); or
  - (ii) by creating a money trust with a financial institution engaged in trust business (limited to those with a contractual agreement for the compensation of principal pursuant to the provisions of Article 6 of the Act on Engagement in Trust Business by Financial Institutions and which is clearly identifiable as property subject to preservation by the account name).
- (3) When managing securities that are properties subject to preservation based on the provisions of Article 309 of the Act, a requesting party protection fund must manage the securities by the method specified in the following items in accordance with the category of securities stated in each item:
- (i) securities managed by a requesting party protection fund by retaining them (excluding securities which are commingled and retained; the same applies in the following item): a management method by which the location of the retention of securities that are properties subject to preservation is clearly separate from that for securities of a person's own property and securities other than those that are properties subject to preservation (referred to below as the "fund's proprietary securities, etc." in this Article), and the securities that are properties subject to preservation are retained in a condition that is immediately distinguishable as to which member deposited the securities;
  - (ii) securities managed by a requesting party protection fund through having a third party retain them: a management method by which the requesting party protection fund has a third party separate the location of the retention of securities that are properties subject to preservation from the location for the retention of fund's proprietary securities, etc., and the securities that are properties subject to preservation are retained in a condition that is immediately distinguishable as to which member deposited the securities;
  - (iii) securities managed by a requesting party protection fund by retaining them (limited to securities which are commingled and retained; the same applies in the following item): a management method by which the location of the retention of securities that are properties subject to preservation is clearly separate from that for the fund's proprietary securities, etc., and the equity interests related to securities that are properties subject to preservation and are deposited from each member are retained in a condition that is immediately distinguishable from the person's own books; or

(iv) securities managed by a requesting party protection fund through having a third party retain them: a method of management such as the method in which the requesting party protection fund has a third party separate the accounts for a person that deposited securities that are properties subject to preservation, and for the accounts of the fund's securities in which it is possible to immediately distinguish the equity interests related to securities that are properties subject to preservation, and in a condition that the equity interests related to the securities that are properties subject to preservation are immediately distinguishable from the person's own books.

(Accounting Principles)

Article 138 In order to clarify the financial condition of a requesting party protection fund, the fund must carry out accounting for increases, decreases, and changes in assets, and profits and expenses, on an accrual basis.

(Businesses That Contribute to Prompt Repayments)

Article 139 (1) The businesses specified by order of the competent ministry as referred to in Article 310 of the Act are those stated in the following items:

- (i) a business as a trust administrator of a commodity derivatives broker that is a member of the requesting party protection fund;
- (ii) a business as an agent for a beneficiary based on a trust contract as prescribed in Article 98, paragraph (1), item (i);
- (iii) a business of repaying debts to a requesting party of the commodity derivatives broker in place of the commodity derivatives broker that made a deposit by using the properties subject to preservation deposited pursuant to Article 98, paragraph (1), item (ii) and Article 137;
- (iv) a business of repaying debts to a requesting party of the commodity derivatives broker in place of the commodity derivatives broker that requested the guarantee by using the money paid by a financial institution based on a guarantee request contract; and
- (v) a business of repaying debts to a requesting party of the commodity derivatives broker in place of the commodity derivatives broker that accepted the subrogation, based on a subrogation consignment agreement.

(2) A requesting party protection fund must prepare a written report on the business status stated in the items of the preceding paragraph each month and submit the written report to the competent minister by the 10th of the month following the month related to the report.

(Accounts)

Article 140 (1) The accounts specified by order of the competent ministry as referred to in Article 316, paragraph (2) of the Act are as follows:

- (i) an account for the requesting party protection fund (meaning an account concerning the business stated in Article 300, items (i) and (ii) of the Act);
  - (ii) an account for property subject to preservation (meaning an account concerning the business stated in Article 300, item (iii) of the Act, and the business stated in paragraph (1), items (i) through (iii) of the preceding Article);
  - (iii) an account for the subrogation of debts to a requesting party (meaning an account concerning the business stated in paragraph (1), item (v) of the preceding Article); and
  - (iv) a general account.
- (2) Regarding the accounting for the requesting party protection fund, each account stated in the items of the preceding paragraph is to be separated, and a balance sheet account and profit and loss account are to be established for each account.

#### (Contents of Budget)

Article 141 The budget of a requesting party protection fund is to consist of the general budget provisions and an income and expenditure budget.

#### (General Budget Provisions)

Article 142 The general budget provisions are to include comprehensive provisions concerning income and expenditure budgets and the provisions concerning the following matters:

- (i) regarding the acts to assume obligations pursuant to the provisions of Article 146, the maximum amount of obligation for each matter, the term of payment of each obligation based on the acts, and the reasons for the necessity;
- (ii) the designation of expenses pursuant to the provisions of Article 147, paragraph (2); and
- (iii) in addition to the matters stated in the preceding items, matters necessary for the implementation of the budget.

#### (Income and Expenditure Budgets)

Article 143 The income and expenditure budgets are separated according to the nature of income, and the purpose of expenditure.

#### (Attached Documentation to Budgets)

Article 144 When seeking to submit a budget pursuant to the provisions of Article 317 of the Act, a requesting party protection fund must submit the budget to the competent minister by attaching the following documents; provided, however, that when the budget is changed pursuant to the provisions

of the second sentence of that Article, the document referred to in item (i) is not required to be attached:

- (i) a projected balance sheet and projected profit and loss statement for the previous business year;
- (ii) a projected balance sheet and projected profit and loss statement for the business year concerned; and
- (iii) beyond what is stated in the preceding two items, documents to be used as a reference for the budget.

#### (Contingency Funds)

Article 145 A requesting party protection fund may establish contingency funds in the income and expenditure budget in order to compensate for possible deficiency in expenditure budget for unforeseeable reasons.

#### (Acts to Assume Obligations)

Article 146 A requesting party protection fund may assume debts within the scope of amount of the expenditure budget and within the scope of the amount of the budget submitted to the competent minister each business year, if it is necessary for conducting business.

#### (Diversion of Budgeted Funds)

Article 147 (1) A requesting party protection fund must not use the funds in the expenditure budget for any purpose other than those specified in the budget; provided, however, that if it is appropriate and necessary for the implementation of the budget, the budget funds can be diverted within the scope of the budget of the accounts stated in the items of Article 140, paragraph (1), notwithstanding the categories prescribed in Article 143.

- (2) A requesting party protection fund may not divert funds designated for expenses in general budget provisions between different categories of the expenses or to any other expenses, or use the contingency funds to cover the expenses, without obtaining a resolution to do so at a general meeting.

#### (Funding Plans)

Article 148 (1) The funding plans for a requesting party protection fund must specify the plans concerning the following matters:

- (i) the methods of raising funds;
- (ii) intended use of funds; and
- (iii) other necessary matters.

- (2) When a funding plan is changed pursuant to the provisions of the second sentence of Article 317 of the Act, a requesting party protection fund must submit to the competent minister a document stating the matters related to the

change and the reason for the change.

(Reports of Incomes and Expenditures)

Article 149 A requesting party protection fund must report income and expenditure quarterly by using a trial balance of totals and report the obligations that they assumed pursuant to the provisions of Article 146 by using a written report that discloses the amount for each matter to the competent minister, within one month after the end of each quarter.

(Business Reports)

Article 150 The business report of a requesting party protection fund must state the business results and the results of implementation of the funding plans.

(Settlements of Accounts)

Article 151 (1) The statements of accounts of a requesting party protection fund are to be a financial statement of income and expenditure and a statement of debts.

(2) The statements of accounts referred to in the preceding paragraph must indicate the results of the implementation of the budget concerning the matters prescribed in the general budget provisions pursuant to the provisions of Article 142.

(Financial Statements of Income and Expenditure)

Article 152 (1) The financial statement of income and expenditure referred to in paragraph (1) of the preceding Article must be prepared using the same classification as income and expenditure budgets and must state the following information:

(i) income:

- (a) the amount of budgeted income;
- (b) the determined amount of income;
- (c) the difference between the amount of budgeted income and the determined amount of income;

(ii) expenditure:

- (a) the amount of the budgeted expenditure;
- (b) the amount of contingency funds that has been used, and the reasons for the use;
- (c) the amount of diversion, and the reasons for the diversion;
- (d) the actual budget for the expenditure;
- (e) the determined amount of the expenditure; and
- (f) the amount of unused budget.

(2) The statement of debts referred to in paragraph (1) of the preceding Article

must state the amount of debts assumed pursuant to the provisions of Article 146 for each matter.

(Method of Utilization of Surplus Funds)

Article 153 The method specified by order of the competent ministry as referred to in Article 320, item (iii) of the Act is to be a trust fund with a financial institution engaged in trust business.

(Accounting Rules)

Article 154 (1) A requesting party protection fund is to establish accounting rules with regard to its finance and accounting.

(2) When seeking to establish accounting rules referred to in the preceding paragraph, a requesting party protection fund is to obtain the approval of the competent minister. The same applies when seeking to change the accounting rules.

(Vesting of Residual Assets)

Article 155 A liquidator of a requesting party protection fund must vest the residual assets of the requesting party protection fund with another requesting party protection fund which the members will join in accordance with the accumulated amount of dues referred to in Article 314, paragraph (1) of the Act that the members have paid and the standards specified by the requesting party protection fund, pursuant to the provisions of Article 327, paragraph (1).

(Method of Trade at Facilities Similar to Type 1 Specified Commodity Market)

Article 156 The method specified by order of the competent ministry as referred to in Article 332, paragraph (1), item (i) of the Act is a method of adopting the terms of trade presented by the type 1 specified facility trading participant when the terms of trade presented by a type 1 specified facility trading participant correspond to terms of trade presented by another type 1 specified facility trading participant that is to be the counterpart of the transaction, without relying on negotiations conducted.

(Documents Attached to Written Applications for Permission to Establish Facilities Similar to Type 1 Specified Commodity Markets)

Article 157 The documents specified by order of the competent ministry as referred to in Article 332, paragraph (3) of the Act are the following (in cases of documents certified by a public agency, limited to those prepared within three months before the date of filing the application for the permission):

(i) a document pledging that the person does not fall under any of the provisions of Article 31, paragraph (1), items (i) through (iii) of the Act;

- (ii) in cases of a corporation, a document specified as follows in accordance with the cases stated in each sub-item:
  - (a) when an officer is a foreign national: a copy of the residence certificate, etc. and a curriculum vitae of the officer, and a document pledging that the person does not fall under any of the provisions of Article 15, paragraph (2), item (i), sub-items (a) through (k) of the Act;
  - (b) when an officer is a corporation: a certificate of the registered information of the officer, a document stating the history of the corporation, and a document pledging that the person does not fall under the provisions of Article 15, paragraph (2), item (i), (l) of the Act;
  - (c) when an officer is neither a foreign national nor a corporation: a copy of the residence certificate, etc. and a curriculum vitae of the officer, a certification issued by a public agency that the person does not fall under the provisions of Article 15, paragraph (2), item (i), sub-item (b) of the Act, and a document pledging that the person does not fall under any of the provisions of sub-item (a) and sub-items (c) through (k) of that item;
- (iii) a document stating the commodity underlying the transaction or the commodity index underlying the transaction, and a detailed explanation of the method of trade;
- (iv) a document stating the name or trade name of the type 1 specified facility trading participant, and the location of their principal office or head office;
- (v) a document pledging that for each commodity underlying the transaction or commodity index underlying the transaction, the majority of the type 1 specified facility trading participants are persons that are engaged in the purchase and sale, etc., of a commodity in the course of trade, or in the purchase and sale, etc. of the commodity subject to the commodity index in the course of trade;
- (vi) a document stating the system for conducting business of the organization, etc.;
- (vii) a document stating the estimated transaction volume for one year after the establishment of a facility similar to a type 1 specified commodity market;
- (viii) in cases when an electronic data processing system is used for business to establish a facility similar to a type 1 specified commodity market, a document stating the outline, installation location, capacity, and maintenance system of the electronic data processing system, and the method of handling in the case of malfunction of the electronic data processing system;
- (ix) regulations for the fair and appropriate performance of business to establish a facility similar to a type 1 specified commodity market (including regulations to clarify the responsibility system of the establisher of type 1



- specified facility concerning the business);
- (x) a document stating the outline of the organization that performs the operations involving internal control and stating the management system for complying with laws and regulations.

(Submission of Doctors' Medical Certificates)

Article 157-2 The competent minister may request an applicant to submit a doctor's medical certificate stating the name of the illness of the person subject to the examination, whether the person has any mental impairment and the level of mental impairment, causes of the illness, post-illness progress, prospects of recovery, and other remarks for reference when the application for the permission under Article 332, paragraph (1) of the Act is filed, and the minister finds it necessary to do so for examining whether the applicant for the permission falls under any of the provisions of Article 31, paragraph (1), item (i), item (iii) (excluding the part related to item (ii)), or item (iv) (excluding the part related to item (ii)) of the Act.

(Documents Attached to Written Applications for Permission of Changes)

Article 158 The documents specified by order of the competent ministry as referred to in Article 335, paragraph (2) of the Act are as follows:

- (i) a document stating the estimated transaction volume of the commodity and commodity index related to the change (excluding discontinuation of business) for one year after the change;
- (ii) in cases of a change to the method of trade, a document stating a detailed explanation of the method of trade; or
- (iii) when changing the commodity or commodity index underlying the transactions, a document pledging that the majority of the type 1 specified facility trading participants are persons engaged in the purchase and sale, etc. of the commodity in the course of trade, or the purchase and sale, etc. of the commodity subject to the commodity index in the course of trade.

(Documents Attached to Notifications of Changes)

Article 158-2 When submitting a notification referred to in Article 335, paragraph (3) of the Act, the following documents (in cases of documents certified by a public agency, limited to those prepared within three months before the date of notification of the change) must be attached:

- (i) if the notification of the change relates to newly appointed officers, a document specified as follows in accordance with the cases stated in each sub-item:
  - (a) when a newly appointed officer is a foreign national: a copy of the residence certificate, etc. and a curriculum vitae of the officer, and a

document pledging that the person does not fall under any of the provisions of Article 15, paragraph (2), item (i), sub-items (a) through (k) of the Act;

- (b) when a newly appointed officer is a corporation: a certificate of the registered information of the officer, a document stating the history of the corporation, and a document pledging that the person does not fall under the provisions of Article 15, paragraph (2), item (i), (l) of the Act;
- (c) when a newly appointed officer is neither a foreign national nor a corporation: a copy of the residence certificate, etc. and a curriculum vitae of the officer, a certification issued by a public agency that the person does not fall under the provisions of Article 15, paragraph (2), item (i), sub-item (b) of the Act, and a document pledging that the person does not fall under any of the provisions of sub-item (a) and sub-items (c) through (k) of that item;
- (ii) when the notification of the change relates to persons who have newly become type 1 specified facility trading participants, a document stating the name or trade names of the person and the location of their principal office or head office, and when the type 1 specified facility trading participants are engaged in the purchase and sale, etc. of a commodity (limited to the commodity or commodity index underlying the transaction), a document stating the commodity.

#### (Preparation of Books)

Article 159 (1) The establisher of a type 1 specified facility must prepare books stating the following information regarding transactions at a facility similar to a type 1 specified commodity market for each commodity or commodity index underlying the transaction, pursuant to the provisions of Article 336, paragraph (1) of the Act:

- (i) the name or trade name of the type 1 specified facility trading participants that are parties to transactions closed on a daily basis;
  - (ii) the price and other terms of trade for the transactions closed on a daily basis;
  - (iii) the daily transaction volume.
- (2) The books referred to in the preceding paragraph are to be preserved for ten years.

#### (Preservation by Electronic or Magnetic Means)

Article 160 When the content of the books referred to in paragraph (1) of the preceding Article is recorded by electronic or magnetic means and is preserved in a manner that enables the record to be immediately displayed using a computer or other devices as necessary, the preservation of the record may

substitute for the preservation of the books prescribed in paragraph (2) of the preceding Article. In this case, an establisher of a type 1 specified facility must take the necessary measures for preventing the loss of and damage to the record.

(Reports of Information Stated in Books)

Article 161 An establisher of a type 1 specified facility must report the information stated in Article 159, paragraph (1), items (ii) and (iii) pursuant to the provisions of Article 336, paragraph (2) of the Act to the competent minister by the 10th of the month following the month related to the report.

Article 162 Deleted

Article 163 The provisions of Article 158 through 161 apply mutatis mutandis when the provisions of Article 335, paragraphs (2) and (3), Article 336, paragraphs (1) and (2), and Article 338, paragraph (2) are applied mutatis mutandis pursuant to Article 345 of the Act. In this case, the term "a type 1 specified facility trading participant" in Article 158, item (iii) and Article 158-2, item (ii) is to be replaced with "a type 2 specified facility trading participant", the term "an establisher of a type 1 specified facility" in Article 159, paragraph (1) is deemed to be replaced with "an establisher of a type 2 specified facility," the term "a facility similar to a type 1 specified commodity market" in that paragraph is deemed to be replaced with "a facility similar to a type 2 specified commodity market," and the term "a type 1 specified facility trading participant" in that paragraph is deemed to be replaced with "a type 2 specified facility trading participant", the term "an establisher of a type 1 specified facility" in Article 160 is deemed to be replaced with "an establisher of a type 2 specified facility", the terms "an establisher of a type 1 specified facility" and "Article 159, paragraph (1), items (ii) and (iii)" in Article 161 are deemed to be replaced with "an establisher of a type 2 specified facility" and "Article 159, paragraph (1), items (ii) and (iii) as applied mutatis mutandis pursuant to Article 163", respectively.

(Designation of Commodities and Commodity Indices Traded at Facilities  
Similar to Type 2 Specified Commodity Markets)

Article 164 The commodities specified by order of the competent ministry as referred to in Article 342, paragraph (1) of the Act are the following commodities and commodity indices:

- (i) gold;
- (ii) silver;
- (iii) platinum;

- (iv) gasoline;
- (v) kerosene;
- (vi) diesel fuel;
- (vii) crude oil;
- (viii) liquefied natural gas; and
- (ix) electric power.

(Method of Trade at Facilities Similar to Type 2 Specified Commodity Markets)

Article 165 The method specified by order of the competent ministry as referred to in Article 342, paragraph (1), item (i) of the Act is a method of adopting the terms of trade presented by the type 2 specified facility trading participant, when the terms of trade presented by the type 2 specified facility trading participant correspond to the terms of trade presented by another type 2 specified facility trading participant that is to be the counterpart of the transaction without relying on negotiations conducted between the parties through facility similar to type 2 specified commodity market.

(Documents Attached to Written Applications for Permission for Establishing Facilities Similar to Type 2 Specified Commodity Markets)

Article 166 The documents specified by order of the competent ministry as referred to in Article 342, paragraph (3) of the Act are the following (in cases of documents certified by a public agency, limited to those prepared within three months before the date of filing the application for the permission):

- (i) a document pledging that the person does not fall under any of the provisions of Article 31, paragraph (1), items (i) through (iii) of the Act;
- (ii) in cases of a corporation, a document specified as follows in accordance with the cases stated in each sub-item:
  - (a) when an officer is a foreign national: a copy of the residence certificate, etc. and a curriculum vitae of the officer, and a document pledging that the officer does not fall under any of the provisions of Article 15, paragraph (2), item (i), sub-items (a) through (k) of the Act;
  - (b) when an officer is a corporation: a certificate of the registered information of the officer, a document stating the history of the corporation, and a document pledging that the officer does not fall under the provisions of Article 15, paragraph (2), item (i), (l) of the Act;
  - (c) when an officer is neither a foreign national nor a corporation: a copy of the residence certificate, etc. and a curriculum vitae of the officer, a certification issued by a public agency that the person does not fall under the provisions of Article 15, paragraph (2), item (i), (b) of the Act, and a document pledging that the person does not fall under any of the provisions of sub-item (a) and sub-items (c) through (k) of that item;

- (iii) a document stating the commodity underlying the transaction or commodity index underlying the transaction, and a detailed explanation of the method of trade;
- (iv) a document stating the name or trade name of the type 2 specified facility trading participant, and the location of their principal office or head office;
- (v) a document pledging that for each commodity underlying the transaction or commodity index underlying the transaction, the majority of the type 2 specified facility trading participants are persons who are engaged in the purchase and sale, etc. of the commodity or commodity subject to the relevant commodity index, in the course of trade;
- (vi) a document stating the system for conducting business of the organization, etc.;
- (vii) a document stating the estimated transaction volume for one year after the establishment of a facility similar to a type 2 specified commodity market;
- (viii) in cases of using an electronic data processing system for business of establishing a facility similar to a type 2 specified commodity market, a document stating the outline, installation location, capacity, and maintenance method of the electronic data processing system, and the method of handling in the case of malfunction of the electronic data processing system;
- (ix) regulations for the fair and appropriate performance of business of establishing a facility similar to a type 2 specified commodity market (including regulations to clarify the responsibility system of the establisher of a type 2 specified facility concerning the business); and
- (x) a document stating the outline of the organization that performs the operations involving internal control and the management system for complying with laws and regulations.

(Submission of Doctor's Medical Certificates)

Article 167 When an application for the permission under Article 342, paragraph (1) of the Act is filed, and the competent minister finds it necessary for examining whether the applicant for the permission falls under any of the provisions of Article 31, paragraph (1), item (i), item (iii) (excluding the part related to item (ii)), or item (iv) (excluding the part related to item (ii)) of the Act, the minister may request the applicant to submit a doctor's medical certificate stating the name of the illness of the person subject to the examination, whether the person has any mental impairment and the level of mental impairment, causes of the illness, post-illness progress, prospects of recovery, and other remarks for reference.

(Notification by Specified Over-the-Counter Commodity Derivatives Brokers)

- Article 168 (1) When a person seeking to conduct a specified over-the-counter commodity derivatives transaction in the course of trade gives notification of the fact of seeking to conduct a specified over-the-counter commodity derivatives transaction in the course of trade pursuant to the provisions of Article 349, paragraph (1) of the Act, the person must submit a written notification stating the information detailed in items (i) through (iii) of that paragraph and the items of paragraph (4) of the Article to the competent minister in advance.
- (2) The written notification referred to in the preceding paragraph must be attached with the documents specified in the following items in accordance with the category of cases stated in each item (when stating the information specified in paragraph (4), item (iv), (b) in the written notification referred to in the preceding paragraph, the document specified by the competent minister, in addition to those documents):
- (i) cases in which the person seeking to give a notification under the provisions of Article 349, paragraph (1) of the Act is an individual: a copy of the residence certificate, etc.;
  - (ii) cases in which the person seeking to give a notification under the provisions of Article 349, paragraph (1) of the Act is a corporation: the following documents:
    - (a) articles of incorporation (in cases of a foreign corporation, a document equivalent to articles of incorporation); and
    - (b) a certificate of registered information (in cases of a foreign corporation, a document equivalent to a certificate of registered information).
- (3) A specified over-the-counter commodity derivatives broker that has given the notification referred to in paragraph (1) must submit a written notification stating the following information in advance when they seek to change any of the information stated in Article 349, paragraph (1), items (i) through (iii) of the Act or the items of the following paragraph (excluding the information stated in item (iv), (b) of that paragraph), and without delay when there are any material changes in the information stated in the document specified by the competent minister as referred to in the preceding paragraph:
- (i) the name or trade name;
  - (ii) the content of the change; and
  - (iii) the date of the change.
- (4) The information specified by order of the competent ministry as referred to in Article 349, paragraph (1), item (iv) of the Act is the following information:
- (i) the type of transaction;
  - (ii) in cases of a corporation, the name of the representative;
  - (iii) the commencement date of the business concerning specified over-the-

- counter commodity derivatives transactions; and
- (iv) in cases of a financial instruments business operator, etc. prescribed in Article 34 of the Financial Instruments and Exchange Act, the following information:
- (a) the fact that in implementing the measures prescribed in Article 123, paragraph (1), item (xxi)-10 and item (xxi)-11 of the Cabinet Office Order on Financial Instruments Business (excluding the measures related to transactions to which the provisions of paragraph (1), item (xxi)-10 and item (xxi)-11 of that Article are not applied pursuant to the provisions of paragraphs (12) and (13) of that Article), over-the-counter derivatives transactions (meaning the over-the-counter derivatives transactions prescribed in item (i), (a) of that paragraph) are to be included in the non-cleared over-the-counter derivatives transactions (meaning the non-cleared over-the-counter derivatives transactions prescribed in paragraph (1), item (xxi)-10 of that Article) for which the measures are taken;
- (b) when the specified over-the-counter commodity derivatives business operator calculates the estimated amount of potential losses, etc. stated in Article 123, paragraph (1), item (xxi)-11, (a) of the Cabinet Office Order on Financial Instruments Business by the method specified by the competent minister in taking the measures prescribed in (b) of that item, the information specified by the competent minister.

(When Confirmation of Problematic Conduct Is Not Required)

- Article 169 (1) The cases specified by order of the competent ministry as referred to in the proviso of Article 214-3, paragraph (3) of the Act as applied *mutatis mutandis* pursuant to Article 349, paragraph (3) of the Act, are as follows:
- (i) when a final and binding judgment rendered by a court has been obtained;
- (ii) when a court settlement has been reached;
- (iii) when a mediation prescribed in Article 16 of the Civil Mediation Act has been entered into, or cases in which a court decision has been made pursuant to the provisions of Article 17 of that Act and no objection has been made within the period stated in Article 18, paragraph (1) of that Act;
- (iv) when a settlement has been reached through mediation of an organization designated by the competent minister;
- (v) when settlement has been reached through mediation in that organization prescribed in the regulations prescribed in Article 33, paragraph (1) of the Attorney Act or the rules established pursuant to the provisions of those regulations, or when an arbitration award has been made in that organization;
- (vi) when a settlement has been reached through the certified dispute resolution procedures carried out by a certified dispute resolution business

- operator;
- (vii) when a settlement has been reached and the cases satisfy all of the following requirements:
- (a) an attorney-at-law or a judicial scrivener has acted as the customer's counsel concerning the settlement procedures;
  - (b) the amount to be paid to the customer by the specified over-the-counter commodity derivatives broker due to the settlement being reached does not exceed 10 million yen;
  - (c) a document which has been delivered to the specified over-the-counter commodity derivatives broker certifying that the attorney-at-law or the judicial scrivener referred to in (a) has investigated and confirmed that the payment referred to in (b) is to be made in order to compensate for all or part of the loss due to a problematic conduct (meaning the problematic conduct (limited to one specified in Article 112, paragraph (3)) prescribed in the main clause of Article 221, paragraph (2) of the Act; the same applies below in this Article through Article 170-2) ;
- (viii) when the specified over-the-counter commodity derivatives broker or their representative, etc. has caused a customer a loss through performing an act stated in the items of Article 112, paragraph (3), and the property benefits for which an offer or promise is made, or is provided to the customer for the loss incurred in a daily trading does not exceed the amount equivalent to 100,000 yen; and
- (ix) when the specified over-the-counter commodity derivatives broker or their representative, etc. has caused a customer a loss through performing an act stated in the items of Article 112, paragraph (3) (limited to cases in which it is clear from the books prescribed in Article 349, paragraph (4) of the Act or a record of the content of an order by the customer that the cause is a problematic conduct).
- (2) The benefits referred to in item (ix) of the preceding paragraph are to be calculated for each category of the acts stated in the items of Article 112, paragraph (3). In this case, with regard to the amount of benefits related to the category of acts stated in item (i) of that paragraph, the amount of property benefits for which an offer or promise is made or is provided when stated in item (ix) of the preceding paragraph is to be deducted.
- (3) When stated in paragraph (1), item (ix), if a specified over-the-counter commodity derivatives broker has made an offer or promise to provide property benefits or has provided property benefits to a customer without obtaining the confirmation stated in the proviso to Article 214-3, paragraph (3) of the Act as applied mutatis mutandis pursuant to Article 349, paragraph (3) of the Act, the business operator must report the information stated in the items of Article 172-2 to the competent minister by the last day of the month following the



month that includes the date on which the offer, promise or provision was made.

(Application Procedures for Confirmation of Problematic Conducts)

Article 170 A person that seeks to obtain the confirmation referred to in the proviso to Article 214-3, paragraph (3) as applied mutatis mutandis pursuant to Article 349, paragraph (3) of the Act, must submit a written application and documents to the competent minister under the provisions of Article 214-3, paragraph (5) of the Act as applied mutatis mutandis pursuant to Article 349, paragraph (3) of the Act.

(Information to Be Stated in Written Applications for Confirmation)

Article 170-2 The information specified by order of the competent ministry as referred to in Article 214-3, paragraph (5) of the Act as applied mutatis mutandis pursuant to Article 349, paragraph (3) of the Act, is the following:

- (i) the trade name or name of the specified over-the-counter commodity derivatives broker;
- (ii) the name and address of the head office, branch office, or any other business office or office where the problematic conduct occurred;
- (iii) the following information concerning the fact for which confirmation is sought:
  - (a) the name of the representative, etc., or the name of the department involved in acts falling under a problematic conduct;
  - (b) the name and address of the customer (in the case of a corporation, the name or trade name, the address of the head office or principal office, and the name of the representative);
  - (c) an outline of the problematic conduct;
  - (d) the reason the loss of the customer to be compensated for was caused as a result of a problematic conduct;
  - (e) the amount of the property benefits to be offered, promised, or provided; and
- (iv) other information to be used as a reference.

(Attached Documents to Written Applications for Confirmation)

Article 170-3 (1) The document specified by order of the competent ministry as referred to in Article 214-3, paragraph (5) of the Act as applied mutatis mutandis pursuant to Article 349, paragraph (3) of the Act, is a document proving that the customer has confirmed the content of the information stated in the items of the preceding Article and other materials to be used as a reference.

(2) The provisions of the preceding paragraph do not apply to cases in which the

written application under the provisions of Article 214-3, paragraph (5) of the Act as applied mutatis mutandis pursuant to Article 349, paragraph (3) of the Act, concerns an offer under paragraph (1), item (ii) of that Article.

(Preparing Books)

Article 171 (1) A specified over-the-counter commodity derivatives broker must prepare the books prescribed in the Appended Table 6 for specified over-the-counter commodity derivatives transactions pursuant to the provisions of Article 349, paragraph (4) of the Act.

(2) The books prescribed in the Appended Table 6 are to be preserved for ten years.

(Preservation by Electronic or Magnetic Means)

Article 172 When the content of the books prescribed in the Appended Table 6 is recorded by electronic or magnetic means and is preserved in a manner that enables the record to be immediately displayed using a computer or other devices as necessary, the preservation of the record may substitute for the preservation of the books prescribed in paragraph (2) of the preceding Article. In this case, a specified over-the-counter commodity derivatives broker must take the necessary measures for preventing the loss of and damage to the record.

Article 173 Deleted

(Matters to Be Publicly Notified)

Article 174 The information specified by order of the competent ministry as referred to in Article 352 of the Act is as follows:

- (i) a person that establishes a commodity market;
- (ii) a listed commodity or listed commodity index; and
- (iii) the reasons for making the information public.

(Standard Processing Period)

Article 175 (1) When an application related to the license, authorization, approval, designation, or registration stated in the following items is filed, the competent minister must endeavor to render a disposition for the application within the period specified in those items from the date when the application is received by the competent ministry:

- (i) authorization referred to in the proviso to Article 3, paragraph (1) of the Act; permission referred to in Article 9 of the Act; authorization referred to in Article 76, paragraph (1) of the Act; license referred to in Article 78 of the Act; authorization referred to in Article 96, paragraph (1) of the Act;

authorization referred to in the main clause of paragraph (1) and the proviso of paragraph (2) of Article 96-25 of the Act; authorization referred to in Article 132, paragraph (1) of the Act; authorization referred to in Article 145, paragraph (1) of the Act; authorization referred to in Article 155, paragraph (1) of the Act (limited to authorization related to changes of the listed commodity or listed commodity index (excluding their abolishment or narrowing of the scope; the same applies below in this item and the following item)); authorization referred to in the main clause of Article 156, paragraph (1) of the Act (limited to authorization related to changes of the listed commodity or listed commodity index); license referred to in Article 167 of the Act; approval referred to in Article 173, paragraph (1) of the Act; permission referred to in Article 245 of the Act; permission referred to in Article 279, paragraph (1) of the Act; permission referred to in Article 332, paragraph (1) of the Act; permission referred to in Article 335, paragraph (1) of the Act (including as applied *mutatis mutandis* pursuant to Article 345 of the Act); and permission referred to in Article 342, paragraph (1) of the Act: four months;

(ii) authorization referred to in the proviso to Article 3-2, paragraph (1) of the Act; authorization referred to in Article 88, paragraph (1) of the Act; authorization referred to in Article 96-19, paragraph (1) of the Act; authorization referred to in Article 96-31, paragraph (1) of the Act; authorization referred to in the proviso to Article 96-37, paragraph (1) of the Act; authorization referred to in Article 155, paragraph (1) of the Act (excluding authorization related to changes of the listed commodity or listed commodity index); authorization referred to in the main clause of Article 156, paragraph (1) of the Act (excluding authorization related to changes of the listed commodity or listed commodity index); approval referred to in the proviso to Article 170, paragraph (2) of the Act; authorization referred to in Article 182 of the Act; authorization referred to in Article 183 of the Act; authorization referred to in Article 190, paragraph (1) of the Act; approval referred to in Article 221, paragraph (2) of the Act; authorization referred to in Article 225, paragraph (1) of the Act; authorization referred to in Article 228, paragraph (1) of the Act; registration referred to in Article 240-2, paragraph (1) of the Act; authorization referred to in Article 250, paragraph (1) of the Act; approval referred to in Article 277, paragraph (2), item (iii) of the Act; authorization referred to in Article 283, paragraph (2) of the Act; authorization referred to in Article 286, paragraph (2) of the Act; authorization referred to in Article 296, paragraph (4) of the Act; authorization referred to in Article 301, paragraph (2) of the Act; approval referred to in Article 318, paragraph (1) of the Act; and authorization referred to in Article 325, paragraph (2) of the Act: one month; or

- (iii) approval referred to in Article 59, paragraph (7) of the Act: ten days.
- (2) The periods of time referred to in the preceding paragraph are not to include the periods of time stated in the following items:
  - (i) the period to make corrections to the application;
  - (ii) the period required for a person that filed the application to change the content of the application; and
  - (iii) the period required for a person that filed the application to add materials which are found to be necessary for examination concerning the application.

(Attachment of Translations)

Article 176 If there is a document to be submitted to the competent ministry, a director-general of a regional agricultural administration office or a director-general of a bureau of economy, trade and industry (referred to in the following Article as the competent minister, etc.) which cannot be prepared in Japanese due to special circumstances, its Japanese translation must be affixed to the document; provided, however, that if the document is articles of incorporation (including a document equivalent to articles of incorporation) prepared in English, it is sufficient to attach a Japanese translation of its summary.

(Conversion of Foreign Currencies)

Article 177 If an amount is indicated in a foreign currency in a document to be submitted to the competent minister, etc. pursuant to the provisions of the Act, the Order, or this Ministerial Order, the amount after converting the amount to Japanese currency and the standard used for the conversion must be additionally entered in the document.

(Prior Notification)

Article 178 (1) A person that seeks to submit a written report under the provisions of Article 224, paragraph (2) of the Act (referred to below as a "written report" in this Article and the following Article) by using an electronic data processing system prescribed in Article 6, paragraph (1) of the Act on the Advancement of Government Administration Processes That Use Information and Communications Technology (Act No. 151 of 2002; referred to below as the "Information and Communications Technology Use Act") based on the provisions of that paragraph, must submit a written notification to the competent minister in advance, stating that a report will be submitted by using an electronic data processing system, the person's trade name or name, the location of the principal office or head office, the name of the representative, the name and the contact address of the contact person, and other necessary information.

(2) When the competent minister has accepted a notification stated in the

preceding paragraph, the minister is to assign an identification code to the person that has made the notification.

- (3) When there has been any change to the notified information or when discontinuing the use of an electronic data processing system, a person that has made a notification referred to in paragraph (1) must notify the competent minister of that fact without delay.
- (4) When the competent minister finds it inappropriate for the person that has made a notification referred to in paragraph (1) to continue using an electronic data processing system, the minister may suspend the person's use of the electronic data processing system.

(Special Provisions on the Submission of Reports by Using Electronic Data Processing Systems)

- Article 179 (1) A person that seeks to submit a written report by using an electronic data processing system must submit the report by inputting the information required to be stated in the written report when it is submitted by a document, etc. (meaning the document, etc. prescribed in Article 3, item (v) of the Information and Communications Technology Use Act) and the identification code assigned pursuant to the provisions of paragraph (2) of the preceding Article from a computer used by the person. In this case, the provisions of Article 5, paragraph (3) of the Regulations for Enforcement of the Act on the Advancement of Government Administration Processes That Use Information and Communications Technology Concerning Laws and Regulations Under the Jurisdiction of Relevant Administrative Organs (Order of the Cabinet Office, Ministry of Internal Affairs and Communications, Ministry of Justice, Ministry of Foreign Affairs, Ministry of Finance, Ministry of Education, Culture, Sports, Science and Technology, Ministry of Health, Labour and Welfare, Ministry of Agriculture, Forestry and Fisheries, Ministry of Economy, Trade and Industry, Ministry of Land, Infrastructure, Transport and Tourism, and Ministry of the Environment No. 1 of 2004) do not apply.
- (2) A substitute for a signature, etc. (meaning a signature, etc. prescribed in Article 3, item (vi) of the Information and Communications Technology Use Act) required to be affixed to a written report which is specified by order of the competent ministry as prescribed in Article 6, paragraph (4) of the Information and Communications Technology Use Act means inputting the identification code assigned pursuant to the provisions of paragraph (2) of the preceding Article from a computer used by the person that seeks to submit a written report by using an electronic data processing system.

**Supplementary Provisions [Extract]**

(Effective Date)

Article 1 This Ministerial Order comes into effect on the date on which the Act Partially Amending the Commodity Exchange Act (referred to below as the "Amendment Act") comes into effect (May 1, 2005; referred to below as the "effective date "); provided, however, that the provisions of Article 79, item (iv) come into effect on the date on whichever registration filed under Article 293 of the Commodity Exchange Act, as amended by the Amendment Act (referred to below as the "New Act") first becomes effective.

(Abolishment of the Regulation on Security Deposit for Acceptance of Requests)

Article 2 The Regulation on Security Deposits for Acceptance of Requests (Order of the Ministry of Agriculture and Forestry, and Ministry of International Trade and Industry No.2 of 1968) is abolished.

(Transitional Measures for Documents Attached to Written Applications for Renewal of License of Futures Commission Merchants)

Article 3 Until the date on whichever registration filed under Article 293 of the New Act first becomes effective, with regard to the application of the provisions of Article 80, paragraph (2), item (iii), the term "requesting party protection fund" in that item is deemed to be replaced with "the Association of Compensation Funds for Consigned Liabilities in Commodity Futures, Inc. (referred to below as the "Association of Compensation Funds") established on October 31, 1975".

(Transitional Measures for Segregation of Property Related to Acceptance of Requests)

Article 4 Until the date of whichever registration filed under Article 293 of the New Act first becomes effective, with regard to the application of the provisions of Article 98, paragraphs (1) and (4), in paragraph (1), item (i) of that Article, the phrase "a requesting party protection fund (limited to a requesting party protection fund which the futures commission merchant joined as a member; the same applies below in this Article)" is deemed to be replaced with "the Association of Compensation Funds", the phrase "a futures commission merchant has fallen under a futures commission merchant subject to a notice (meaning a futures commission merchant subject to a notice prescribed in the provisions of Article 304 of the Act; the same applies below)" is deemed to be replaced with "the Association of Compensation Funds that the trust administrator judges is necessary for the smooth repayment of the futures commission merchant's obligations related to the return of the requesting party's assets to a transaction requesting party", the term, "a requesting party protection fund" is deemed to be replaced with "the Association of

Compensation Funds", the phrase "only the requesting party protection fund" is deemed to be replaced with "only the Association of Compensation Funds", the phrase "of a requesting party protection fund" is deemed to be replaced with "of the Association of Compensation Funds", the phrase, "when a futures commission merchant has fallen under the category of a futures commission merchant subject to a notice, other trust administrators" is deemed to be replaced with "the trust administrator", in item (ii) of that paragraph, the phrase "with a requesting party protection fund" is deemed to be replaced with "with the Association of Compensation Funds", the phrase "when a futures commission merchant has fallen under a futures commission merchant subject to a notice, other requesting party protection funds" is deemed to be replaced with "the Association of Compensation Funds" the term "the requesting party protection fund" is deemed to be replaced with "the Association of Compensation Funds", the phrase "of the requesting party protection fund" is deemed to be replaced with "of the Association of Compensation Funds", in item (ii) of that paragraph, the phrase "to a requesting party Protection Fund" is deemed to be replaced with "to the Association of Compensation Funds", the phrase "of the requesting party protection fund" is deemed to be replaced with "of the Association of Compensation Funds", the phrase, "when a futures commission merchant has fallen under a futures commission merchant subject to a notice, other requesting party protection funds" is deemed to be replaced with "the Association of Compensation Funds", the term "requesting party protection fund" is to be replaced with "Association of Compensation Funds", in item (iv) of that paragraph, the phrase "to the requesting party protection fund" is deemed to be replaced with "to the Association of Compensation Funds", the phrase "of the requesting party protection fund" is deemed to be replaced with "of the Association of Compensation Funds", the term, ", a requesting party protection fund" is deemed to be replaced with ", the Association of Compensation Funds", the phrase " when a futures commission merchant has fallen under a futures commission merchant subject to a notice, other requesting party protection funds" is deemed to be replaced with "the Association of Compensation Funds", the term "requesting party protection fund" is deemed to be replaced with "Association of Compensation Funds", and in paragraph (4) of that Article, the term "requesting party protection fund" is deemed to be replaced with "Association of Compensation Funds".

(Money and Securities Excluded from That Required to Be Deposited with  
Commodity Exchanges)

Article 5 With regard to transactions which have not been settled by the effective date, when the value of money and securities deposited as a customer margin pursuant to the provisions of Article 97, paragraph (1) of the

Commodity Exchange Act before the amendment by the Amendment Act exceeds the value of money and securities that are deposited with a broker (meaning a broker prescribed in Article 103, paragraph (1), item (ii), or Article 179, paragraph (1), item (i), (b) of the New Act), a requesting party (meaning a requesting party prescribed in Article 103, paragraph (1), item (ii), or Article 179, paragraph (1), item (i), (b) of that Act), a brokerage requesting party (meaning a brokerage requesting party prescribed in Article 103, paragraph (1), item (iv), or Article 179, paragraph (1), item (i), (d) of that Act), a clearing broker (a clearing broker prescribed in item (ii), (b) of that paragraph); a clearing brokerage requesting party (meaning a clearing brokerage requesting party prescribed in (b) of that item), or a requesting party that makes a request to the clearing broker (meaning a requesting party that makes a request to the clearing broker prescribed in (d) of that item) of the transaction, the money and securities specified by order of the competent ministry as referred to in Article 13, paragraph (1) of the Supplementary Provisions of the Amendment Act are the money and securities equivalent to the excess portion.

(Repayment Services Based on the Articles of Incorporation of the Association of Compensation Funds)

Article 6 (1) The services specified by order of the competent ministry as referred to in Article 19, paragraph (9) of the Supplementary Provisions of the Amendment Act are to be the services of making repayments to a person that requested the transaction related to the debts on behalf of a futures commission merchant when the futures commission merchant cannot repay the debts arising from accepting a request of a transaction in a commodity market, based on the articles of incorporation of the Association of Compensation Funds.

(2) A requesting party protection fund is not required to transfer the amount acquired by the execution of the right to obtain reimbursement that was acquired through performing the services under the preceding paragraph to an account for a requesting party protection fund, notwithstanding the provisions of Article 140.

**Supplementary Provisions [Order of the Ministry of Agriculture, Forestry and Fisheries and the Ministry of Economy, Trade and Industry No. 9 of April 28, 2005]**

This Ministerial Order comes into effect on the date of promulgation.

**Supplementary Provisions [Order of the Ministry of Agriculture, Forestry and Fisheries and the Ministry of Economy, Trade and Industry No. 10**



**of August 25, 2005]**

(Effective Dates)

Article 1 This Ministerial Order comes into effect for each of the provisions stated as follows on the date specified in those items:

- (i) the amended provisions of Article 164 and Article 167, and the amended provisions of the row for the Chubu Commodity Exchange in the Appended Table 2: October 11, 2005;
- (ii) the amended provisions of the row for the Yokohama Commodity Exchange, Appended Table 2: August 26, 2005.

(Transitional Measures)

Article 2 With regard to transactions concerning Japanese raw silk and international raw silk, for which trading has been commenced at the cocoon and silk market of the Yokohama Commodity Exchange at the time of the enforcement of this Ministerial Order, the provisions then in force remain applicable.

**Supplementary Provisions [Order of the Ministry of Agriculture, Forestry and Fisheries and the Ministry of Economy, Trade and Industry No. 11 of December 28, 2005]**

This Ministerial Order comes into effect on the date of promulgation.

**Supplementary Provisions [Order of the Ministry of Agriculture, Forestry and Fisheries and the Ministry of Economy, Trade and Industry No. 1 of April 3, 2006]**

This Ministerial Order comes into effect on the date of promulgation.

**Supplementary Provisions [Order of the Ministry of Agriculture, Forestry and Fisheries and the Ministry of Economy, Trade and Industry No. 3 of April 28, 2006]**

This Ministerial Order comes into effect on the date on which the Companies Act comes into effect (May 1, 2006).

**Supplementary Provisions [Order of the Ministry of Agriculture, Forestry and Fisheries and the Ministry of Economy, Trade and Industry No. 5 of December 5, 2006]**

This Ministerial Order comes into effect on the day of promulgation.

**Supplementary Provisions [Order of the Ministry of Agriculture, Forestry and Fisheries and the Ministry of Economy, Trade and Industry No. 6 of December 25, 2006]**

This Ministerial Order comes into effect on January 1, 2007.

**Supplementary Provisions [Order of the Ministry of Agriculture, Forestry and Fisheries and the Ministry of Economy, Trade and Industry No. 2 of June 20, 2007]**

This Ministerial Order comes into effect on July 2, 2007; provided, however, that the part amending "Green Robusta Coffee Bean: 100 lots, 50 lots Vegetables: 50 lots, 20 lots" to "Green Robusta Coffee Bean 100 lots, 50 lots" comes into effect on December 21, 2007.

**Supplementary Provisions [Order of the Ministry of Agriculture, Forestry and Fisheries and the Ministry of Economy, Trade and Industry No. 3 of September 21, 2007]**

(Effective Dates)

Article 1 This Ministerial Order comes into effect on the date the Act for Partially Amending the Securities and Exchange Act comes into effect (September 30, 2007); provided, however, that the amended provisions of Form No. 1, Form No. 17, and Form No. 18 come into effect on November 1, 2007.

(Transitional Measures)

Article 2 The amount stated in the provisions of Article 24, paragraph (1), item (i) (c) is zero for the time being.

Article 3 The provisions of Article 100-3 and Article 100-5 do not apply to the provision of information with the same content to many persons by the means of distributing fliers or brochures, until three months have elapsed from the effective date.

Article 4 With regard to the liability reserve for commodity trading before the amendment by this Ministerial Order, the provisions then in force remain applicable.

**Supplementary Provisions [Order of the Ministry of Agriculture, Forestry**

**and Fisheries and the Ministry of Economy, Trade and Industry No. 5 of  
September 28, 2007]**

(Effective Dates)

Article 1 This Ministerial Order comes into effect on the date on which the Trust Act (Act No. 108 of 2006) comes into effect (September 30, 2007); provided, however, that the provisions amending Article 46, item (ii) come into effect on October 1, 2007.

(Transitional Measures upon the Amendment of the Method of Utilization of  
Guarantee Funds)

Article 2 The old postal savings (meaning the postal savings prescribed in the items of Article 7, paragraph (1) of the Postal Savings Act (Act No. 144 of 1947) before the repeal under Article 2 of the Act on Arrangement of Relevant Acts Accompanying Enforcement of the Postal Service Privatization Act and Other Laws (Act No. 102 of 2005), which are to remain effective pursuant to the provisions of Article 5, paragraph (1) of the Supplementary Provisions of that Act) are deemed to be money deposited with a bank, regarding application of the Regulations for Enforcement of the Commodity Exchange Act as amended by this Ministerial Order.

**Supplementary Provisions [Order of the Ministry of Agriculture, Forestry  
and Fisheries and the Ministry of Economy, Trade and Industry No. 6 of  
December 19, 2007]**

This Ministerial Order comes into effect on the date on which the Cabinet Order for Partially Amending the Order for Enforcement of the Act on Control of Money Lending Business comes into effect (December 19, 2007).

**Supplementary Provisions [Order of the Ministry of Agriculture, Forestry  
and Fisheries and the Ministry of Economy, Trade and Industry No. 2 of  
June 16, 2008]**

This Ministerial Order comes into effect on September 1, 2008; provided, however, that the amended provisions of Article 90, Article 97, Article 107, Form No. 10, and Form No. 18 come into effect on the day of promulgation.

**Supplementary Provisions [Order of the Ministry of Agriculture, Forestry  
and Fisheries and the Ministry of Economy, Trade and Industry No. 3 of  
June 24, 2008]**

This Ministerial Order comes into effect on the day of promulgation.

**Supplementary Provisions [Order of the Ministry of Agriculture, Forestry and Fisheries and the Ministry of Economy, Trade and Industry No. 6 of September 30, 2008]**

This Ministerial Order comes into effect on the date on which the Shoko Chukin Bank Limited Act comes into effect (October 1, 2008).

**Supplementary Provisions [Order of the Ministry of Agriculture, Forestry and Fisheries and the Ministry of Economy, Trade and Industry No. 1 of February 3, 2009]**

This Ministerial Order comes into effect on the date of promulgation.

**Supplementary Provisions [Order of the Ministry of Agriculture, Forestry and Fisheries and the Ministry of Economy, Trade and Industry No. 2 of March 24, 2009]**

This Ministerial Order comes into effect on March 25, 2009.

**Supplementary Provisions [Order of the Ministry of Agriculture, Forestry and Fisheries and the Ministry of Economy, Trade and Industry No. 4 of April 28, 2009]**

This Ministerial Order comes into effect on the date of promulgation.

**Supplementary Provisions [Order of the Ministry of Agriculture, Forestry and Fisheries and the Ministry of Economy, Trade and Industry No. 5 of September 11, 2009]**

This Ministerial Order comes into effect on October 13, 2009.

**Supplementary Provisions [Order of the Ministry of Agriculture, Forestry and Fisheries and the Ministry of Economy, Trade and Industry No. 6 of October 1, 2009]**

(Effective Date)

Article 1 This order comes into effect on the date on which the provisions stated in Article 1, item (ii) of the Supplementary Provisions of the Act on Partially Amending the Commodity Exchange Act and the Act on Regulation of

Commodity Investment come into effect (October 8, 2009; referred to below as the "effective date").

(Transitional Measures for Balance Sheets of Member Commodity Exchanges)  
Article 2 The provisions of Article 15, paragraph (2), item (i), (j) and item (ii), (g), Form No. 1, and Form No. 17 of the Order for Enforcement of the Commodity Exchange Act as amended by this Ministerial Order do not apply to balance sheets or records related to the amount of net assets (meaning records related to the amount of net assets prescribed in Article 117, paragraph (1), item (i) of the Order for Enforcement of the Commodity Exchange Act) and the monthly trial balance (meaning the monthly trial balance prescribed in item (iv) of that paragraph) of a member commodity exchange (meaning a member commodity exchange prescribed in Article 2, paragraph (2) of the Commodity Exchange Act; the same applies below) for the business year that starts before April 1, 2010.

(Transitional Measures for the Calculation upon Absorption-Type Mergers of Commodity Exchanges)  
Article 3 Regarding the calculation upon an absorption-type merger (meaning an absorption-type merger prescribed in Article 139, paragraph (2) of the Commodity Exchange Act) or a consolidation-type merger (meaning a consolidation-type merger prescribed in that paragraph) between a member commodity exchange for which an absorption-type merger contract or consolidation-type merger contract has been concluded before the effective date and a member commodity exchange or an incorporated commodity exchange (meaning an incorporated commodity exchange prescribed in Article 2, paragraph (3) of that Act), the provisions then in force remain applicable.

**Supplementary Provisions [Order of the Ministry of Agriculture, Forestry and Fisheries and the Ministry of Economy, Trade and Industry No. 7 of October 23, 2009]**

This Ministerial Order comes into effect on the date of promulgation.

**Supplementary Provisions [Order of the Ministry of Agriculture, Forestry and Fisheries and the Ministry of Economy, Trade and Industry No. 8 of November 6, 2009]**

This order comes into effect on the date of promulgation.

**Supplementary Provisions [Order of the Ministry of Agriculture, Forestry**

**and Fisheries and the Ministry of Economy, Trade and Industry No. 1 of March 19, 2010]**

This Ministerial Order comes into effect on March 23, 2010.

**Supplementary Provisions [Order of the Ministry of Agriculture, Forestry and Fisheries and the Ministry of Economy, Trade and Industry No. 2 of April 21, 2010]**

This order comes into effect on the date on which the provisions stated in Article 1, item (iii) of the Supplementary Provisions of the Act for Partially Amending the Commodity Exchange Act and the Act on Regulation of Commodity Investment come into effect (July 1, 2010).

**Supplementary Provisions [Order of the Ministry of Agriculture, Forestry and Fisheries and the Ministry of Economy, Trade and Industry No. 3 of July 16, 2010]**

This Ministerial Order comes into effect on the date of promulgation.

**Supplementary Provisions [Order of the Ministry of Agriculture, Forestry and Fisheries and the Ministry of Economy, Trade and Industry No. 4 of October 12, 2010]**

This Ministerial Order comes into effect on the date of promulgation.

**Supplementary Provisions [Order of the Ministry of Agriculture, Forestry and Fisheries and the Ministry of Economy, Trade and Industry No. 5 of October 15, 2010] [Extract]**

(Effective Date)

Article 1 This Ministerial Order comes into effect on the date on which the Amendment Act comes into effect (January 1, 2011; referred to below as the "effective date").

(Transitional Measures for the Requirements for Eligible Commercial Persons)

Article 2 Regarding the application of the provisions of Article 1-8 of the Regulations for Enforcement of the Commodity Derivatives Transaction Act as amended by the provisions of Article 1 (referred to below as the "New Regulations"), a contract entered into before the effective date which provides that the acts equivalent to the acts stated in the items of Article 2, paragraph

(22) of the Commodity Derivatives Transaction Act as amended by the provisions of Article 3 of the Amendment Act (Act No. 239 of 1950; referred below to as the "New Act") are to be performed is deemed to be a commodity transaction contract referred to in Article 1-8 of the New Act.

(Transitional Measures for the Basis for Calculating Net Assets)

Article 3 (1) Until the day on which six months have elapsed from the effective date, prior laws may continue to govern the application of the provisions of Article 38 of the New Regulations with regard to a person that is licensed as referred to in Article 190, paragraph (1) of the Former Act at the time of the Amendment Act comes into effect.

(2) Until the day on which six months have elapsed from the effective date, regarding the application of the provisions of Article 38 of the New Regulations with regard to a commodity derivatives broker (excluding those licensed as referred to in Article 190, paragraph (1) of the Former Act at the time of the enforcement of the Amendment Act), the phrase "total amount required to be recorded in the assets section (when the provisions of Article 99, paragraph (7) of the Act are applied mutatis mutandis pursuant to Article 211, paragraph (4), excluding the total amount of the assets stated in items (i) through (vi))" is deemed to be replaced with "total amount required to be recorded in the assets section" and the phrase "when the provisions of Article 99, paragraph (7) of the Act are applied mutatis mutandis pursuant to Article 211, paragraph (4), excluding the total amount of the liabilities stated in items (vii) through (x), and in other cases, excluding the total amount of the liabilities stated in items (vii) and (viii))" is deemed to be replaced with "excluding the total amount of the liabilities stated in items (vii) and (viii)".

(Transitional Measures for Approval of Payments Before Maturities)

Article 4 (1) Short-term subordinated debts approved under the provisions of Article 38, paragraph (7), item (iii) of the Regulations for Enforcement of the Commodity Derivatives Transaction Act before the amendment by the provisions of Article 1 (referred to below as the "Former Regulations") at the time of the enforcement of this Ministerial Order are deemed to be those approved under the provisions of Article 38, paragraph (4), item (iii) of the New Regulations on the effective date.

(2) Long-term subordinated debts approved under the provisions of Article 38, paragraph (8), item (iii) of the Former Regulations at the time of the enforcement of this Ministerial Order are deemed to be those approved under the provisions of Article 38, paragraph (5), item (iii) of the New Regulations on the effective date.

(Transitional Measures for the Requirements for Individuals That May Make Requests to Be Treated as Eligible Requesting Parties)

Article 5 Regarding the application of the provisions of Article 90-11, item (iv), (c) of the New Regulations, a contract entered into before the effective date which provides that the acts equivalent to the acts stated in the items of Article 2, paragraph (22) of the New Act are to be performed is deemed to be a commodity transaction contract referred to in Article 90-11, item (iv), (c) of the New Act.

(Transitional Measures for Measures of Segregation of Property Related to Foreign Commodity Market Transactions and Over-the-Counter Commodity Derivatives Transactions)

Article 6 The provisions of Article 98-3, paragraph (1), item (i) of the New Regulations do not apply until six months have elapsed from the effective date. In this case, the measures specified by order of the competent ministry regarding a requesting party, etc. that is an individual are the measures stated in Article 98-3, paragraph (1), item (ii) of the New Regulations.

(Transitional Measures for Calculating the Amounts Corresponding to Risks)

Article 7 (1) Until the day on which six months have elapsed from the effective date, prior laws may continue to govern the application of the provisions of Article 99 of the New Regulations with regard to a person that is licensed as referred to in Article 190, paragraph (1) of the Former Act at the time when the Amendment Act comes into effect.

(2) Until the day on which six months have elapsed from the effective date, with regard to the application of the provisions of Article 99 of the New Regulations with regard to a commodity derivatives broker (excluding those licensed as referred to in Article 190, paragraph (1) of the Former Act at the time of the enforcement of the Amendment Act), the phrase "sum of the following amounts" in paragraph (1) of that Article is deemed to be replaced with "sum of the amounts stated in items (i) and (iii)", and the phrase "the market risk equivalent amount and the counterparty risk equivalent amount" in paragraph (2) of that Article is deemed to be replaced with "the market risk equivalent amount".

(Transitional Measures for Regulations of Advertisement)

Article 8 Until three months have elapsed from the date of enforcement, the provisions of Article 100-4, Article 100-6, item (iv), Article 126-12, and Article 126-14, item (iv) of the New Regulations do not apply to the provision of information to a large number of persons by the same means of distributing fliers or brochures.



(Transitional Measures for Prohibited Acts)

Article 9 Until six months have elapsed from the effective date, the provisions of Article 103, paragraph (1), items (xix) and (xx) and paragraphs (2) through (10) of the New Regulations do not apply.

(Transitional Measures for Liability Reserve for Commodity Trading)

Article 10 (1) Prior laws may continue to govern the calculation of the liability reserve for commodity trading under the provisions of Article 111 of the New Regulations for the business year in which the effective date falls, with regard to a person that is licensed as referred to in Article 190, paragraph (1) of the Former Act at the time when the Amendment Act comes into effect.

(2) Regarding the application of the provisions of Article 111, paragraph (2) of the New Regulations to a person that is licensed as referred to in Article 190, paragraph (1) of the Former Act at the time of the enforcement of the Amendment Act, the phrase "the acts stated in Article 2, paragraph (22), item (i) or (ii) of the Act" in that paragraph is deemed to be replaced with "acts equivalent to the acts stated in Article 2, paragraph (22), item (i) or (ii) of the Act".

(Transitional Measures for Preparation of Books of Commodity Derivatives Brokers)

Article 11 If a commodity derivatives broker has prepared books that are equivalent to the books stated in Article 113, paragraph (1), item (ii) of the New Regulations with regard to commodity derivatives transactions by the day on which one year has elapsed from the effective date, these books are deemed to be the books stated in that item.

(Transitional Measures for Business Reports of Commodity Derivatives Brokers)

Article 12 (1) Prior laws may continue to govern the business report for the business year in which the effective date of, with regard to a person that is licensed as referred to in Article 190, paragraph (1) of the Former Act at the time of the enforcement of the Amendment Act.

(2) The provisions of Article 116 of the New Regulations do not apply to the business report for the business year in which the effective date falls, with regard to a commodity derivatives broker (excluding those licensed as referred to in Article 190, paragraph (1) of the Former Act at the time of the enforcement of the Amendment Act).

(Transitional Measures for Submission of Written Reports on the Status of

Business or Property)

Article 13 (1) Until six months have elapsed from the date of enforcement, the provisions of Article 117, paragraph (1), item (i) of the New Regulations do not apply to a commodity derivatives broker (excluding one that performs the acts stated in Article 2, paragraph (22), item (i) or (ii) of the New Act in the course of trade).

(2) As a document based on Form No. 12 of the New Regulations, documents based on Form No. 17 and Form No. 18 of the Former Regulations may be used by amending them.

(Transitional Measures for Preparation of Books of Commodity Derivatives  
Intermediary Service Providers)

Article 14 If a commodity derivatives intermediary service provider has prepared books that are equivalent to the books stated in Article 126-25, paragraph (1) of the New Regulations with regard to the commodity derivatives intermediary service they conducted by the day on which one year has elapsed from the effective date, these books are deemed to be the books stated in that paragraph.

(Transitional Measures for Business Reports of Commodity Derivatives  
Intermediary Service Providers)

Article 15 The provisions of Article 126-27 of the New Regulations do not apply to the business report for the business year in which the effective date falls.

(Transitional Measures for Preparation of Business Reports of Specified Over-  
The-Counter Commodity Derivative Brokers)

Article 16 If a specified over-the-counter commodity derivatives broker has prepared books and documents that are equivalent to the books and documents stated in Appended Table 6 of the New Regulations with regard to specified over-the-counter commodity derivatives transactions by the day on which one year has elapsed from the effective date, these books and documents are deemed to be the books and documents stated in Appended Table 6.

**Supplementary Provisions [Order of the Ministry of Agriculture, Forestry  
and Fisheries and the Ministry of Economy, Trade and Industry No. 1 of  
February 17, 2011]**

This Ministerial Order comes into effect on the date of promulgation.

**Supplementary Provisions [Order of the Ministry of Agriculture, Forestry  
and Fisheries and the Ministry of Economy, Trade and Industry No. 2 of**

**June 29, 2011]**

This Ministerial Order comes into effect on the day on which the Act Partially Amending the Broadcast Act comes into effect (June 30, 2011).

**Supplementary Provisions [Order of the Ministry of Agriculture, Forestry and Fisheries and the Ministry of Economy, Trade and Industry No. 3 of July 21, 2011]**

This Ministerial Order comes into effect on the date of promulgation.

**Supplementary Provisions [Order of the Ministry of Agriculture, Forestry and Fisheries and the Ministry of Economy, Trade and Industry No. 1 of July 6, 2012]**

This Ministerial Order comes into effect on the day on which the Act Partially Amending the Act Partially Amending the Residential Basic Book Act and Partially Amending the Immigration Control and Refugee Recognition Act and the Special Act on the Immigration Control of, Inter Alia, Those Who Have Lost Japanese Nationality Pursuant to the Treaty of Peace with Japan comes into effect (July 9, 2012).

**Supplementary Provisions [Order of the Ministry of Agriculture, Forestry and Fisheries and the Ministry of Economy, Trade and Industry No. 4 of November 16, 2012]**

This Ministerial Order comes into effect on December 1, 2012.

**Supplementary Provisions [Order of the Ministry of Agriculture, Forestry and Fisheries and the Ministry of Economy, Trade and Industry No. 1 of January 25, 2013]**

This Ministerial Order comes into effect on February 12, 2013.

**Supplementary Provisions [Order of the Ministry of Agriculture, Forestry and Fisheries and the Ministry of Economy, Trade and Industry No. 2 of March 28, 2013]**

This Ministerial Order comes into effect on the date of promulgation.

**Supplementary Provisions [Order of the Ministry of Agriculture, Forestry**

**and Fisheries and the Ministry of Economy, Trade and Industry No. 1 of June 23, 2014]**

This Ministerial Order comes into effect on July 1, 2014.

**Supplementary Provisions [Order of the Ministry of Agriculture, Forestry and Fisheries and the Ministry of Economy, Trade and Industry No. 1 of January 23, 2015]**

(Effective Date)

Article 1 This Ministerial Order comes into effect on June 1, 2015.

(Reviews)

Article 2 (1) The competent minister is to review the status of the enforcement of this Ministerial Order after approximately one year from its enforcement and take necessary measures based on the results of the reviews when the minister finds it necessary.

(2) After the enforcement of this Ministerial Order, when the competent minister finds that the substance of solicitation by a commodity derivatives broker or a commodity derivatives intermediary service provider is likely to result in considerably insufficient protection of requesting parties, the minister is to take necessary measures promptly, notwithstanding the provisions of the preceding paragraph.

**Supplementary Provisions [Order of the Ministry of Agriculture, Forestry and Fisheries and the Ministry of Economy, Trade and Industry No. 2 of April 30, 2015]**

This Ministerial Order comes into effect on May 1, 2015.

**Supplementary Provisions [Order of the Ministry of Agriculture, Forestry and Fisheries and the Ministry of Economy, Trade and Industry No. 1 of March 1, 2016]**

This Ministerial Order comes into effect on April 1, 2016; provided, however, that the provisions for amending Article 43, the provisions for amending Article 55-7, the provisions for amending Article 74, and the provisions for amending Article 126-10 come into effect on the date of promulgation.

**Supplementary Provisions [Order of the Ministry of Agriculture, Forestry and Fisheries and the Ministry of Economy, Trade and Industry No. 4 of**

**August 1, 2016]**

(Effective Date)

Article 1 This Ministerial Order comes into effect on September 1, 2016.

(Transitional Measures)

Article 2 (1) A person that falls under a specified over-the-counter commodity derivatives broker, that is a financial instruments business operator, etc. as prescribed in Article 34 of the Financial Instruments and Exchange Act (Act No. 25 of 1948), at the time of the enforcement of this Ministerial Order must submit a written notification containing the matters stated in Article 168, paragraph (4), item (iv) of the Regulations for Enforcement of the Commodity Derivatives Transaction Act amended by this Ministerial Order (referred to below as the "New Enforcement Regulations") to the competent minister without delay after the enforcement of this Ministerial Order. In this case, the document specified by the competent minister stated in Article 168, paragraph (2) of the New Enforcement Regulations must be attached to the written notification (limited to the written notification containing the matters stated in Article 168, paragraph (4), item (iv), (b) of the New Enforcement Regulations).

(2) The provisions of Article 168, paragraph (3) of the New Enforcement Regulations apply mutatis mutandis to changes to the matters stated in the written notification or the document referred to in the preceding paragraph.

**Supplementary Provisions [Order of the Ministry of Agriculture, Forestry and Fisheries and the Ministry of Economy, Trade and Industry No. 2 of November 27, 2017]**

This Ministerial Order comes into effect on the day on which the Act Partially Amending the Act on Specified Joint Real Estate Ventures comes into effect (December 1, 2017).

**Supplementary Provisions [Order of the Ministry of Agriculture, Forestry and Fisheries and the Ministry of Economy, Trade and Industry No. 2 of May 14, 2018]**

(Effective Date)

Article 1 This Ministerial Order comes into effect on the date of promulgation.

(Transitional Measures Concerning the Matters to Be Stated in Settlement Related Documents)

Article 2 The provisions of Article 14, paragraph (3), item (i) and item (iv), (d),

Article 15, paragraph (2), item (i) and item (ii), (d), and Article 16-7 of the Regulations for Enforcement of the Commodity Derivatives Transaction Act amended by this Ministerial Order (referred to below as the "New Enforcement Regulations") apply to settlement related documents prescribed in Article 66, paragraph (1) of the Commodity Derivatives Transaction Act for business years that are to commence or have commenced on or after April 1, 2018, and prior laws continue to govern the relevant settlement related documents for business years that commenced before that date; provided, however, that the provisions of the New Enforcement Regulations may be applied to relevant settlement related documents for the business year that is to end or has ended for the first time on or after March 31, 2018.

(Transitional Measures Concerning the Submission of Written Reports on the Status of Business or Property)

Article 3 Appended Form No. 12, 1. (1) of the New Enforcement Regulations apply to the document stated in Article 117, paragraph (1), item (i) of the New Enforcement Regulations for business years that are to commence or have commenced on or after April 1, 2018, and prior laws continue to govern the relevant document for business years that commenced before that date; provided, however, that Appended Form No. 12, 1. (1) of the New Enforcement Regulations may be applied to the relevant document for the business year that is to end or has ended for the first time on or after March 31, 2018.

**Supplementary Provisions [Order of the Ministry of Agriculture, Forestry and Fisheries and the Ministry of Economy, Trade and Industry No. 3 of May 31, 2018]**

This Ministerial Order comes into effect on the day on which the Act Partially Amending the Banking Act comes into effect.

**Supplementary Provisions [Order of the Ministry of Agriculture, Forestry and Fisheries and the Ministry of Economy, Trade and Industry No. 4 of September 19, 2018]**

This Ministerial Order comes into effect on November 1, 2018.

**Supplementary Provisions [Order of the Ministry of Agriculture, Forestry and Fisheries and the Ministry of Economy, Trade and Industry No. 5 of October 9, 2018]**

This Ministerial Order comes into effect on the date of promulgation.

**Supplementary Provisions [Order of the Ministry of Agriculture, Forestry and Fisheries and the Ministry of Economy, Trade and Industry No. 6 of December 18, 2018]**

This Ministerial Order comes into effect on the date of promulgation.

**Supplementary Provisions [Order of the Ministry of Agriculture, Forestry and Fisheries and the Ministry of Economy, Trade and Industry No. 1 of April 26, 2019]**

This Ministerial Order comes into effect on the day after the day on which the Act on Special Measures for the Imperial House Act Concerning the Abdication of the Emperor (Act No. 63 of 2017) (April 30, 2019) comes into effect.

**Supplementary Provisions [Order of the Ministry of Agriculture, Forestry and Fisheries and the Ministry of Economy, Trade and Industry No. 3 of July 1, 2019]**

This Ministerial Order comes into effect on the day on which the Act Partially Amending the Unfair Competition Prevention Act comes into effect (July 1, 2019).

**Supplementary Provisions [Order of the Ministry of Agriculture, Forestry and Fisheries and the Ministry of Economy, Trade and Industry No. 5 of August 9, 2019]**

This Ministerial Order comes into effect on the date of promulgation.

**Supplementary Provisions [Order of the Ministry of Agriculture, Forestry and Fisheries and the Ministry of Economy, Trade and Industry No. 6 of August 29, 2019]**

This Ministerial Order comes into effect on the date of promulgation.

**Supplementary Provisions [Order of the Ministry of Agriculture, Forestry and Fisheries and the Ministry of Economy, Trade and Industry No. 8 of December 13, 2019]**

This Ministerial Order comes into effect on the day on which Article 119 of the Act on the Establishment of Relevant Acts for the Purpose of Appropriateness of Measures Relating to Restrictions on the Rights of Adult Wards comes into effect

(December 14, 2019).

**Supplementary Provisions [Order of the Ministry of Agriculture, Forestry and Fisheries and the Ministry of Economy, Trade and Industry No. 10 of December 16, 2019]**

This Ministerial Order comes into effect on the day on which the Act Partially Amending the Act on the Use of Information and Communications Technology in Administrative Procedures for Improving the Convenience of Related Parties and Simplifying and Enhancing Efficiency of Administrative Operations Through the Use of Information and Communications Technology comes into effect (December 16, 2019).

**Supplementary Provisions [Order of the Ministry of Agriculture, Forestry and Fisheries and the Ministry of Economy, Trade and Industry No. 11 of December 19, 2019]**

This Ministerial Order comes into effect on the date of promulgation.

**Supplementary Provisions [Order of the Ministry of Agriculture, Forestry and Fisheries and the Ministry of Economy, Trade and Industry No. 1 of February 7, 2020]**

This Ministerial Order comes into effect on the day on which the Act Partially Amending the Civil Code comes into effect (April 1, 2020).

**Supplementary Provisions [Order of the Ministry of Agriculture, Forestry and Fisheries and the Ministry of Economy, Trade and Industry No. 2 of April 10, 2020]**

This Ministerial Order comes into effect on the date of promulgation.

**Supplementary Provisions [Order of the Ministry of Agriculture, Forestry and Fisheries and the Ministry of Economy, Trade and Industry No. 3 of July 22, 2020]**

This Ministerial Order comes into effect on July 27, 2020.

**Supplementary Provisions [Order of the Ministry of Agriculture, Forestry and Fisheries and the Ministry of Economy, Trade and Industry No. 4 of November 10, 2020]**



This Ministerial Order comes into effect on the date of promulgation.

**Supplementary Provisions [Order of the Ministry of Agriculture, Forestry and Fisheries and the Ministry of Economy, Trade and Industry No. 5 of December 1, 2020]**

This Ministerial Order comes into effect on the day on which the Act Partially Amending the Fishery Act comes into effect (December 1, 2020).

**Supplementary Provisions [Order of the Ministry of Agriculture, Forestry and Fisheries and the Ministry of Economy, Trade and Industry No. 6 of December 28, 2020]**

(Effective Date)

Article 1 This Ministerial Order comes into effect on the date of promulgation.

(Transitional Measures)

Article 2 (1) Any document which is used in the form before the amendment by this Ministerial Order (referred to as the "former form" in the following paragraph) and which actually exists at the time of the enforcement of this Ministerial Order is deemed to be in the form after the amendment by this Ministerial Order.

(2) Paper forms in the former form which actually exist at the time of the enforcement of this Ministerial Order may be used for the time being by rearranging them.

**Supplementary Provisions [Order of the Ministry of Agriculture, Forestry and Fisheries and the Ministry of Economy, Trade and Industry No. 1 of April 1, 2021]**

This Ministerial Order comes into effect on the date of promulgation.

**Supplementary Provisions [Order of the Ministry of Agriculture, Forestry and Fisheries and the Ministry of Economy, Trade and Industry No. 2 of August 10, 2021]**

This Ministerial Order comes into effect on the date of promulgation.

**Supplementary Provisions [Order of the Ministry of Agriculture, Forestry and Fisheries and the Ministry of Economy, Trade and Industry No. 3 of**

October 1, 2021]

This Ministerial Order comes into effect on the date of promulgation.

**Supplementary Provisions [Order of the Ministry of Agriculture, Forestry and Fisheries and the Ministry of Economy, Trade and Industry No. 1 of February 21, 2022]**

This Ministerial Order comes into effect on the date of promulgation.

**Supplementary Provisions [Order of the Ministry of Agriculture, Forestry and Fisheries and the Ministry of Economy, Trade and Industry No. 2 of October 24, 2022]**

This Ministerial Order comes into effect on November 1, 2022.

**Supplementary Provisions [Order of the Ministry of Agriculture, Forestry and Fisheries and the Ministry of Economy, Trade and Industry No. 1 of March 27, 2023]**

This Ministerial Order comes into effect on the date of promulgation.

**Supplementary Provisions [Order of the Ministry of Agriculture, Forestry and Fisheries and the Ministry of Economy, Trade and Industry No. 2 of May 26, 2023]**

This Ministerial Order comes into effect on the date on which the Act Partially Amending the Payment Services Act for Facilitating the Establishment of a Stable and Efficient Fund Settlement System (Act No. 61 of 2022) comes into effect (June 1, 2023).

**Supplementary Provisions [Order of the Ministry of Agriculture, Forestry and Fisheries and the Ministry of Economy, Trade and Industry No. 4 of November 13, 2023]**

This Ministerial Order comes into effect on November 23, 2023.

**Supplementary Provisions [Order of the Ministry of Agriculture, Forestry and Fisheries and the Ministry of Economy, Trade and Industry No. 5 of December 28, 2023]**

This Ministerial Order comes into effect on the date of promulgation.

Appended Table 1 (Re: Article 48)

Documents	Frequency of Report	Information to Be Entered	Precautions for Making Entries
Daily quotation and transaction volume report	Daily	<p>(i) Date</p> <p>(ii) Name of commodity exchange</p> <p>(iii) Type of component product of listed commodities or listed commodity index</p> <p>(iv) Type of transaction</p> <p>(v) Expiration month</p> <p>(vi) Quotations</p> <p>(vii) Transaction volume</p>	<p>(i) In cases of transactions prescribed in Article 2, paragraph (3), item (i) of the Act (referred to as "gensaki transactions" below), the document is to be prepared by entering the transactions separately by issue for futures transactions by issue (the same applies in this table below).</p> <p>(ii) In cases of transactions prescribed in Article 2, paragraph (3), item (iv) of the Act (referred to as "option transactions" below), the document is to be prepared by entering the transactions separately by type of option and exercise price (meaning the amount of consideration related to the transaction which is closed by declaration of intent by either party; the same applies below) (the same applies in this table below).</p> <p>(iii) In cases of transactions prescribed in Article 2, paragraph (10), item (i), (d) of the Act (referred to as "spot transactions" below), the document is to be prepared by entering the transactions separately by issue (the same applies in this table below).</p> <p>(iv) When a document is to be prepared by entering the transactions separately by expiration month, transactions are to be entered in the order of the shortest term to the longest term until the expiration month (the same applies in this table below).</p> <p>(v) Regarding the expiration month, in the case of a contract day trading, statement is not required (the same applies in this table below).</p> <p>(vi) Regarding quotations, the document is to be prepared by entering the closing price or closing index.</p> <p>(vii) Regarding the transaction volume, the document is to be prepared by entering the daily volume of transactions closed.</p>

		(viii) Open interest	(viii) Regarding open interest, the document is to be prepared by entering the outstanding balance calculated by deducting the accumulated total volume of settled transactions from the accumulated volume of transactions closed after market hours every day.
Monthly quotation and transaction volume report	Monthly	(i) Date  (ii) Name of commodity exchange (iii) Type of component product of listed commodities or listed commodity index (iv) Type of transaction  (v) Expiration month (vi) Quotations in the relevant month that are the highest amount of consideration or contract price, etc. closed on the business day	(i) Regarding the date, the document is to be prepared by entering the last day of the relevant month (the same applies to monthly reports of transaction volume by members, etc.).  (ii) Regarding the transaction volume, the document is to be prepared by entering the monthly volume of transactions closed. (iii) Regarding the settlement volume, the document is to be prepared by entering the volume of settlements completed in the relevant month only in cases of gensaki transactions and spot transactions.  (iv) Regarding the exercise volume, it is sufficient to make an entry only in the case of option transactions.





		(iv) Type of transaction (v) Expiration month (vi) Name or trade name of members (vii) Delivery volume (viii) Receipt volume (ix) Exercise volume (x) Non-exercise volume (meaning the quantity of transactions closed by the other party's declaration of intent; the same applies below)	
Series of transaction reports	Daily	(i) Date	(i) Regarding the time, the document is to be prepared by entering the times of transaction offers, cancellations of transaction offers, or transaction closings; provided, however, that it is sufficient to enter the times of those conducted during the session in the commodity exchange where the transaction is conducted according to auction method with a single amount of consideration or contract price, etc. (referred to as "itayose transactions" in this table below).

		(ii) Time	(ii) Regarding distinction of transactions on a members own account and transactions on a consignor's account, the document is to be prepared by entering to the extent possible only those transactions conducted during the session for a commodity exchange conducting itayose transactions.
		(iii) Name of commodity exchange	(iii) Regarding the number, the document is to be prepared by entering the number affixed by the commodity exchange for identifying a transaction offer or a transaction closing, and in the case of a cancellation of a transaction offer, by entering the number affixed to the transaction offer to be cancelled; provided, however, that it is sufficient to record only in the case that a number is affixed for a commodity exchange conducting itayose transactions.
		(iv) Type of component product of listed commodities or listed commodity index	(iv) Regarding the distinction of sales and purchases, the distinction of new transaction offers and transaction offers related to completion of settlement, and the type of transaction offer, the document is to be prepared by entering the transaction offer to be cancelled in the case of cancellation of a transaction offer, and by entering the closed transaction offer in the case of closing of a transaction.
		(v) Type of transaction	(v) Regarding the distinction of sales and purchases, it is sufficient to enter the distinction of sales and purchases for transactions conducted during a session for a commodity exchange conducting itayose transactions.
		(vi) Expiration month	(vi) Regarding the type of transaction offer, the document is to be prepared by entering transaction offers specifying the contract price, etc. in advance prescribed in the operational rules or other rules of the commodity exchange and other transaction offer types, and by entering to the extent possible only those transactions conducted during a session for a commodity exchange conducting itayose transactions.



		<p>(vii) Name or trade name of members</p>	<p>(vii) Regarding the price related to a transaction offer or a cancellation of a transaction offer, or the amount of consideration or contract price, etc. (limited to the price related to transaction offers or cancellation of transaction offers) related to closed offers, when a member, etc. or a consignor carries out a transaction offer, statement is not required in the case of a transaction offer not specifying the contract price, etc. or another price, or cancellation of the transaction offer, and it is sufficient to enter the provisional contract price, etc. (meaning the price or value of a temporary consideration in the process of forming a provisional contract price, etc.) at the time of the transaction offer or cancellation of transaction offer carried out in a session for a commodity exchange conducting itayose transactions.</p>
		<p>(viii) Distinction of transactions on a member's own account and transactions on a requesting party's account</p>	<p>(viii) Regarding the quantity, it is sufficient to enter the quantity of transactions conducted during a session for a commodity exchange conducting itayose transactions.</p>
		<p>(ix) Distinction of transaction offers, cancellation of transaction offers, and closing of transactions</p>	
		<p>(x) Number</p>	
		<p>(xi) Distinction of sales and purchases</p>	

		(xii) Type of transaction offer (xiii) The price related to transaction offers or cancellation of transaction offers, or the amount of consideration or contract price, etc. related to closed transactions (xiv) Quantity	
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Appended Table 1-2 (Re: Article 48)

Type of Documents	Information to Be Entered	Precautions for Making Entries
Large-volume open contract report	(i) Date  (ii) Name of commodity exchange (iii) Commodity market	(i) When a document is prepared by entering transactions separately by expiration month, transactions are to be entered in the order of the shortest term to the longest term until the expiration month.  (ii) Regarding the expiration month, in the case of a contract day trading, statement is not required.  (iii) Regarding the name or trade name of a member, etc., a replacement may be entered.

(iv) Type of component product of listed commodities and listed commodity index	(iv) Regarding the name or trade name of a consignor, a replacement may be entered.
(v) Type of transaction	(v) Regarding the name or trade name of a member, etc., the document is to be prepared by entering the name or trade name of the member, etc. who has been entrusted the transactions, etc. in the commodity market (excluding commodity clearing transactions) from the consignor in the case of a transaction on the consignor's account.
(vi) Expiration month	(vi) In the case of a transaction on a member's own account, it is not required to enter the name or trade name of the requesting party.
(vii) Distinction of transactions on a member's own account and transactions on a requesting party's account	(vii) With regard to distinction of members, etc. and non-members, etc., the document is to be prepared by entering the fact that the consignor is a member, etc. conducting a transaction in a commodity market related to the report in the case of a transaction on the consignor's account, and statement is not required in the case of a transaction on a member's own account.
(viii) Name or trade name of a member, etc.	(viii) Regarding the address and the distinction of a business specialist and a non-business specialist, the document is to be prepared by making entries about the member, etc. in the case of a transaction on a member's own account, and by making entries about the consignor in the case of a transaction on the consignor's account.
(ix) Name or trade name of the requesting party	(ix) Regarding the distinction of business specialist and non-business specialist, the document is to be prepared by stating the persons who, in the course of trade, carry out sales and purchase, etc. of component products of listed commodities or the products that are subject of the listed commodity index related to the report as business specialists, and stating other persons as non-business specialists.

(x) Distincti on of member, etc. and non- member, etc.	(x) Regarding the existence of special measures related to a limitation to the quantity of open contracts, in the case of a transaction on a consignor's account, where it is permitted for a commodity exchange to conduct transactions exceeding the limitation to the quantity of open contracts prescribed in the operational rules or other rules of the commodity exchange for the consignor, the document is to be prepared by stating that fact, and in the case of a transaction on a member's own account, statement is not required.
(xi) Address	(xi) Regarding the quantity of open contracts, when the daily quantity of transactions on one member's own account whose settlements have not been completed exceeds the quantity prescribed in column 3 of Appended Table 2 for each commodity market listed in column 2 of that Table which is opened by commodity exchanges stated in column 1 of that Table, and by purchase or sale, the document is to be prepared by entering the quantity of the open contracts relating to all of the component products of listed commodities or Listed Commodity Indices stated in column 4 of that table underlying the transactions in the commodity market related to the report.
(xii) Distincti on of Business Specialis t and non- Business Specialis t	(xii) Regarding the quantity of open contracts, when the status of transaction in a commodity market falls under any of the items of Article 48, paragraph (4), the document is to be prepared by entering the quantity of open contracts related to all of the expiration months of the component products of listed commodities or listed commodity indices related to the report.
(xiii) Existenc e of special measures related to a limitatio n to the quantity of open contracts	
(xiv) Quantity of open contracts	

	(xv) Distincti on of purchase s or sales	
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Appended Table 2 (Re: Article 48)

Commodity Exchange	Commodity Market	Quantity	Type of Component Product of Listed Commodities and Listed Commodity Index	Quantity
Tokyo Commodity Exchange, Inc.	Energy market	600 lots	Gasoline	50 lots
			Kerosene	50 lots
			Diesel fuel	50 lots
			Crude oil	50 lots
			Liquid natural gas	50 lots
			Electric power	20 lots
	Chukyo Oil Market	600 lots	Gasoline	50 lots
			Kerosene	50 lots
Osaka Dojima Exchange, Inc.	Agricultural products market	1,200 lots	Soybeans (U.S. soybeans)	20 lots
			Red beans (adzuki)	20 lots
			Corn	50 lots
	Sugar market	3,000 lots	Raw sugar	20 lots
	Precious metals market	5,000 lots	Gold	1,000 lots
			Silver	1,000 lots
			Platinum	200 lots

Appended Table 3 (Re: Article 50)

Type of records:	Information to be Entered	Precautions for Making Entries
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Journal of Futures Transactions	<p>1. Name or trade name of Commodity Exchange</p> <p>2. Component products of listed commodities or listed commodity index</p> <p>3. Contract date and time</p> <p>4. Amount of consideration or contract price, etc.</p> <p>5. Type of transaction</p> <p>6. Distinction of purchases or sales</p> <p>7. Quantity</p>	<p>1. A person who engages in the commodity derivatives business and who is to prepare documents according to Appended Table 4 is not required to prepare the documents.</p> <p>2. Regarding the contract date and time, the document is to be prepared by entering the contract date and session in the case of a transaction conducted according to auction method with a single amount of consideration or contract price, etc. (referred to as "itayose transactions" in this table below)</p> <p>3. Regarding the type of transaction, the document is to be prepared by entering the following information in the case of a transaction stated in Article 2, paragraph (3), items (i) through (iii) of the Act:</p> <p>(1) Expiration month</p> <p>(2) Distinction of new transaction and settled transaction</p> <p>4. With regard to the type of transaction, the document is to be prepared by entering the following information in the case of a transaction stated in Article 2, paragraph (3), item (iv) of the Act:</p> <p>(1) Expiration month</p> <p>(2) Exercise period and Exercise Price</p> <p>(3) Distinction of put option and call option</p> <p>(4) Distinction of new transaction and settled transaction</p> <p>(5) Distinction of exercise and non-exercise</p> <p>5. Regarding a transaction for which a give-up action is performed, the order executing member, etc. is not required to state the distinction of new transaction and settled transaction or the distinction of exercise and non-exercise.</p>
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Futures Transaction Settlement Calculation Journal	1. Name or trade name of Commodity Exchange  2. Component products of listed commodities Expiration month  4. Contract date and time 5. Contract price or exercise price 6. Settlement date 七 受渡数量 7. Settlement quantity	1. A person engaging in a commodity derivatives business and who is to prepare documents according to Appended Table 4 is not required to prepare the documents.  2. Regarding the contract date and time, the document is to be prepared by entering the contract date and session in the case of an itayose transaction.  3. With regard to the settlement quantity, the document is to be prepared by entering the distinction of receipt and delivery.
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Appended Table 4 (Re: Article 103)

Type of Book	Information to be Entered	Precautions for Making Entries
Order form	(i) Commodity or Commodity Index	(i) Statement is not required for acts specified in the items of Article 2, paragraph (22) of the Act related to intermediation or agency service.

(ii) Distinction of transactions on a person's own account and those that are entrusted	(ii) Regarding commodities and commodity indices, the document is to be prepared by entering those that specify the publishers of component products of listed commodities and commodity prices or other subjects of transactions.
(iii) Name of consignor s, etc.	(iii) Regarding the date and time an order is received and the contract date and time, it is sufficient to enter the date and time the order is received and the contract date and time in the case of a transaction stated in the items of Article 2, paragraph (14) of the Act.
(iv) Date and time order is received	(iv) Regarding the contract date and time, the document is to be prepared by entering the contract date and session in the case of a transaction conducted according to auction method with a single amount of consideration or contract price, etc.
(v) Contract date and time	(v) Regarding the date and time the order is received and the quantity of the order received, the document is to be prepared by entering the date and time the order is placed and the quantity of the order placed in the case of a transaction on the person's own account, which is a transaction in a commodity market or a foreign commodity market.
(vi) Amount of consideration or contract price, etc.	(vi) Regarding the type of transaction, the document is to be prepared by entering the following information in the case of a transaction stated in Article 2, paragraph (3), items (i) through (iii) of the Act (including a transaction similar to the transaction conducted in a foreign commodity market) or a transaction stated in paragraph (14), items (i) through (iii) of that Article:
(vii) Type of transaction	1. Expiration month
(viii) Distinction of purchases or sales	2. Distinction of new transaction and settled transaction



<p>(ix) Distinction of limit order, market order, and other orders Quantity of order received (information equivalent to the quantity if there is no quantity) (xi) Agreed volume (information equivalent to the volume if there is no volume)</p>	<p>(vii) Regarding the type of transaction, the document is to be prepared by entering the following information in the case of a transaction stated in Article 2, paragraph (3), item (iv) of the Act (including a transaction similar to the transaction conducted in a foreign commodity market) or a transaction stated in paragraph (14), item (iv) or item (v) of that Article:</p> <ol style="list-style-type: none"> <li>1. Expiration month</li> <li>2. Exercise period and Exercise Price</li> <li>3. Distinction of put option and call option</li> <li>4. Distinction of new transaction and settled transaction</li> <li>5. Distinction of exercise and non-exercise</li> <li>6. Regarding transactions stated in Article 2, paragraph (14), items (iv) and (v) of the Act, the content of the transaction to be closed by exercise of an option</li> </ol> <p>(viii) Regarding the type of transaction, the document is to be prepared by entering the transaction period and the settlement date in the case of a transaction stated in Article 2, paragraph (14), item (vi) of the Act.</p>
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(ix) Regarding the distinction of limit order, market order, and other orders, the document is to be prepared by entering the price and valid period of the order in the case of a limit order, and the date the transaction is to be conducted (in the case of a transaction in a commodity market, including the session) in the case of a market order.

(x) In the case when a transaction is not closed, that fact is to be indicated.

(xi) In the case of preparation by electronic or magnetic record, the following requirements are to be satisfied. In this case, order forms may be prepared in tabulated form.

1. The content of the order is to be inputted into a computer at the same time the order is received (in the case of a transaction on the person's own account, at the same time the order is placed; the same applies in this table below).

2. A prompt response to an inquiry from a customer is made possible.

3. A copy of the content of the inputted order is to be prepared and preserved.

4. The date and time information inputted into a computer is to be automatically recorded.

5. In the case when inputted information is cancelled or amended, the record of the cancellation or amendment is to be preserved as is.

6. In the case of giving the content of an order to an office or business office by phone call, undertaking an order for the following day after the operation is finished, the computer cannot be used due to a disaster, etc., and other cases when direct input into the computer and preparing an order form at the same time as receiving the order is impossible, the order form is to be written by hand at the time of receiving the order; provided, however, that when preserving the handwritten order form at the time of receiving the order together with the order form prepared by inputting information directly into a computer that states the order result, etc. prepared by subsequently inputting the content of the order, it is not necessary to make an additional note in the handwritten order form.

(xii) In the case of an order related to a transaction for which a give-up action is performed, that fact is to be indicated.

		<p>(xiii) Regarding a transaction for which a give-up action is performed, the order-executing member, etc. is not required to enter the distinction of new transaction and settled transaction or the distinction of exercise and non-exercise.</p> <p>(xiv) Regarding a transaction for which a give-up action is performed, the settlement executing member, etc. is not required to prepare the order form.</p> <p>(xv) Regarding an order for which a member, etc. quotes for sales or purchases on a regular and continuous basis in a commodity market opened by a commodity exchange according to the regulations established by the commodity exchange, preparation of the order form is not required for the orders placed by the member, etc. as the quotes.</p> <p>(xvi) Regarding a transaction for which the distinction of new transaction and settled transaction or the distinction of exercise and non-exercise is not required to be indicated at the time of making an order in a commodity market opened by a commodity exchange according to the regulations established by the commodity exchange, the information is not required to be entered.</p> <p>(xvii) The order forms are to be filed by date and preserved.</p>
Commodity derivatives transaction journal	<p>(i) Commodity or Commodity Index</p> <p>(ii) Distinction of transactions on the person's own account and those that are entrusted</p>	<p>(i) Statement is not to be required for acts specified in the items of Article 2, paragraph (22) of the Act related to intermediation or agency service.</p> <p>(ii) Regarding commodities or commodity indices, the document is to be prepared by entering those that specify the publishers of component products of listed commodities and commodity price or other subjects of transactions.</p>

(iii) Name of consignor s, etc.	(iii) With regard to the type of transaction, the document is to be prepared by entering the following information in the case of a transaction stated in Article 2, paragraph (3), items (i) through (iii) of the Act (including a transaction similar to the transaction conducted in a foreign commodity market) or a transaction stated in paragraph (14), items (i) through (iii) of that Article:
(iv) Contract date	1. Expiration month
(v) Amount of consideration or contract price, etc.	2. Distinction of new transaction and settled transaction
(vi) Type of transaction	(iv) Regarding the type of transaction, the document is to be prepared by entering the following information in the case of a transaction stated in Article 2, paragraph (3), item (iv) of the Act (including a transaction similar to the transaction conducted in a foreign commodity market) or a transaction stated in paragraph (14), items (iv) and (v) of that Article:
(vii) Distinction of purchases and sales	1. Expiration month
(viii) Quantity (information equivalent to the quantity if there is no quantity)	2. Exercise period and Exercise Price
	3. Distinction of put option and call option
	4. Distinction of new transaction and settled transaction
	5. Distinction of exercise and non-exercise
	6. With regard to Regarding transactions stated in Article 2, paragraph (14), items (iv) and (v) of the Act, the content of the transaction to be closed by exercise of an option.

		<p>(v) Regarding the type of transaction, the document is to be prepared by entering the transaction period and the settlement date in the case of a transaction stated in Article 2, paragraph (14), item (vi) of the Act.</p> <p>(vi) Regarding a transaction for which a give-up action is performed, the order-executing member, etc. is not required to enter the distinction of new transaction and settled transaction or the distinction of exercise and non-exercise.</p>
Commodity derivatives transaction ledger	<p>(i) Commodity or Commodity Index</p> <p>(ii) Distinction of transactions on the person's own account and those that are entrusted</p> <p>(iii) Name of consignors, etc.</p> <p>(iv) Contract date</p> <p>(v) Amount of consideration or contract price, etc.</p>	<p>(i) Statement is not required for acts specified in the items of Article 2, paragraph (22) of the Act related to intermediation or agency service.</p> <p>(ii) The document is to be prepared by entering the distinction of transactions on the person's own account and those that are entrusted (in the case of transactions that are entrusted, by consignors, etc.)</p> <p>(iii) Regarding commodities or commodity indices, the document is to be prepared by entering information that specifies the publishers of the component products of listed commodities and commodity price or other subjects of transactions.</p> <p>(iv) Regarding the type of transaction, the document is to be prepared by entering the expiration month in the case of a transaction stated in Article 2, paragraph (3), items (i) through (iii) of the Act (including a transaction conducted in a foreign commodity market similar to the transaction) or a transaction stated in paragraph (14), items (i) through (iii) of that Article.</p> <p>(v) With regard to the type of transaction, the document is to be prepared by entering the following information in the case of a transaction stated in Article 2, paragraph (3), item (iv) of the Act (including a transaction similar to the transaction conducted in a foreign commodity market) or a transaction stated in paragraph (14), items (iv) and (v) of that Article:</p>

(vi) Type of transaction	1. Expiration month
(vii) Distinction of purchases and sales	2. Exercise period and Exercise Price
(viii) Quantity (information equivalent to the quantity if there is no quantity)	3. Distinction of put option and call option
(ix) Fees, etc.	4. Regarding transactions stated in Article 2, paragraph (14), items (iv) and (v) of the Act, the content of the transaction to be closed by exercise of an option
(x) Amount of consumption tax	(vi) Regarding the type of transaction, the document is to be prepared by entering the transaction period and the settlement date in the case of a transaction stated in Article 2, paragraph (14), item (vi) of the Act.
(xi) Deposits and withdrawals	(vii) W Regarding deposits and withdrawals, the document is to be prepared by entering the distinction of cash and securities, the date, the issue, the quantity, and the amount.
(xii) Balance	(viii) Regarding the balance, the document is to be prepared by entering the distinction of cash and securities, the issue, the quantity, and the amount.
(xiii) Matters related to clearing margin, etc.	(ix) With regard to matters related to clearing margin, etc., the document is to be prepared by entering the distinction of cash and securities, the date of receipt or the date of return, the issue, the quantity, and the amount.
	(x) The document is to be prepared by entering the transaction status by consignor, etc.

		<p>(xi) Regarding commission fees concerning a transaction for which a give-up action was performed, the document is to be prepared by entering the fees, etc. that the clearance executing member, etc. directly received from the consignor in the ledger of clearance executing members, etc.</p> <p>(xii) W Regarding a transaction for which a give-up action was performed, the order executing member, etc. is not required to prepare the document; provided, however, that the name of the consignor, the fees, etc., the deposits and withdrawals, and the balance are to be entered in the case where fees, etc. are received directly from the consignor.</p>
Commodity derivatives transaction balance book	<p>(i) Date the book was prepared</p> <p>(ii) Commodity or Commodity Index</p> <p>(iii) Distinction of transactions on the person's own account and those that are entrusted</p> <p>(iv) Name of consignor, etc.</p>	<p>(i) Statement is not required for acts specified in the items of Article 2, paragraph (22) of the Act related to intermediation or agency service, or consignment of transactions stated in paragraph (10), item (i), (d) of that Article.</p> <p>(ii) The document is to be prepared by entering the distinction of transactions on the person's own account and those that are entrusted (in the case of transactions that are entrusted, by consignor, etc.)</p> <p>(iii) Regarding commodities or commodity indices, the document is to be prepared by entering those that specify the publishers of component products and commodity price or other subjects of transactions .</p> <p>(iv) Regarding the type of transaction, the document is to be prepared by entering the expiration month in the case of a transaction stated in Article 2, paragraph (3), items (i) through (iii) of the Act (including a transaction similar to the transaction conducted in a foreign commodity market) or a transaction stated in paragraph (14), items (i) through (iii) of that Article.</p>

(v) Contract date	(v) Regarding the type of transaction, the document is to be prepared by entering the following information in the case of a transaction stated in Article 2, paragraph (3), item (iv) of the Act (including a transaction similar to the transaction conducted in a foreign commodity market) or a transaction stated in paragraph (14), items (iv) and (v) of that Article:
(vi) Amount of consideration or contract price, etc.	1. Expiration month
(vii) Type of transaction	2. Exercise period and Exercise Price
(viii) Distinction of purchases and sales	3. Distinction of put option and call option
(ix) Quantity (information equivalent to the quantity if there is no quantity) related to transactions whose settlement is not completed	4. Regarding transactions prescribed in Article 2, paragraph (14), item (iv) and item (v) of the Act, the content of the transaction to be closed by exercise of an option



	<p>(x) Amount of profit and loss from market price valuation</p> <p>(xi) Amount for maintenance of the clearing margin</p> <p>(xii) Deposit amount declared</p>	<p>(vi) Regarding the type of transaction, the document is to be prepared by entering the transaction period and the settlement date in the case of a transaction stated in Article 2, paragraph (14), item (vi) of the Act.</p> <p>(vii) Regarding the amount for maintenance of the clearing margin, the commodity exchange or the commodity clearing organization is to prepare the document by entering the amount of the clearing margin whose deposit must be received according to the rules established by the commodity exchange or the commodity clearing organization.</p> <p>(viii) Regarding the deposit amount declared, the document is to be prepared by entering the amount of the clearing margin which must be deposited with the commodity exchange or the commodity clearing organization by the member, etc. or the clearing participant according to the rules established by the commodity exchange or the commodity clearing organization.</p>
Commodity derivatives transaction settlement calculation journal	<p>(i) Commodity</p> <p>(ii) Expiration month</p>	<p>(i) Statement is not required for acts specified in the items of Article 2, paragraph (22) of the Act related to intermediation or agency service.</p> <p>(ii) Regarding commodities, the document is to be prepared by entering information that specifies the publishers of component products and commodity price or other subjects of transactions.</p>

	<p>(iii) Distinction of transactions on the person's own account and those that are entrusted</p> <p>(iv) Name of consignors, etc.</p> <p>(v) Contract date</p> <p>(vi) Contract price or exercise price</p> <p>(vii) Settlement date</p> <p>(viii) Settlement quantity</p>	<p>(iii) Regarding the settlement quantity, the documents are to be prepared by entering the distinction of receipt and delivery.</p>
Transaction records related to intermediation or agency service	<p>(i) Date of intermediation or agency service</p> <p>(ii) Name of consignors, etc.</p>	<p>The document is to be prepared by entering only those acts stated in the items of Article 2, paragraph (22) of the Act related to intermediation or agency service.</p>

	(iii) Name of commodi ty derivativ es business operators that conduct commodi ty derivativ es transacti ons (iv) Distincti on of intermed iation and agency service (v) Amou nt of fees, remuner ations and any other considera tions to be received in relation to intermed iation or agency service	
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Appended Table 5 (Re: Article 126-25)

Type of Book	Information to be Entered	Precautions for Making Entries
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Commodity derivatives intermediary service auxiliary book	(i) Commodity or Commodity Index	(i) Regarding commodities or commodity indices, the document is to be prepared by entering information that specifies the publishers of component products of listed commodities and commodity price or other subjects of transactions.
	(ii) Trade name or name of the entrusting commodity derivatives business operators	(ii) Regarding the date and time of the offer received and the contract date and time, it is sufficient to enter the date and time of the offer received and the contract date and time in the case of a transaction stated in the items of Article 2, paragraph (14) of the Act.
	(iii) Names of consignors, etc.	(iii) Regarding the type of transaction, the document is to be prepared by entering the following information in the case of a transaction stated in Article 2, paragraph (3), items (i) through (iii) of the Act (including a transaction conducted in a foreign commodity market similar to the transaction) or a transaction stated in paragraph (14), items (i) through (iii) of that Article: 1. Expiration month
	(iv) Date and time offer is received	
	(v) Contract date	2. Distinction of new transaction and settled transaction
	(vi) Amount of consideration or contract price, etc.	(iv) Regarding the type of transaction, the document is to be prepared by entering the following information in the case of a transaction stated in Article 2, paragraph (3), item (iv) of the Act (including a transaction conducted in a foreign commodity market similar to that transaction) or a transaction stated in paragraph (14), items (4) and (5) of that Article: 1. Expiration month
	(vii) Type of transaction	

(viii) Distincti on of purchase s and sales	2. Exercise period and Exercise Price
(ix) Distincti on of limit order, market order, and other orders	3. Distinction of put option and call option
(x) Quantity of offers received (informat ion equivale nt to quantity if there is no quantity)	4. Distinction of new transaction and settled transaction
(xi) Agreed volume (informat ion equivale nt to volume if there is no volume)	5. Distinction of exercise and non-exercise
	<p>6. Regarding transactions stated in Article 2, paragraph (14), items (iv) and (v) of the Act, the content of the transaction to be closed by exercise of an option</p> <p>(v) Regarding the type of transaction, the document is to be prepared by entering the transaction period and the settlement date in the case of a transaction stated in Article 2, paragraph (14), item (vi) of the Act.</p>

(vi) Regarding the distinction of limit order, market order, and other orders, the document is to be prepared by entering the price and valid period of the order in the case of a limit order, and the date the transaction was conducted (in the case of a transaction in a commodity market, including the session) in the case of a market order.

(vii) A document is to be prepared for each entrusting commodity derivatives business operators in the case when there are two or more entrusting commodity derivatives business operators.

(viii) The commodity derivatives intermediary service auxiliary book is to be entered by date and preserved.

(ix) In the case where a transaction is not closed, that fact is to be indicated.

(x) Regarding the part concerning the content of the transaction, the document is to be prepared by entering the matters that the commodity derivatives intermediary service provider has come to know.

(xi) In the case of preparation by electronic or magnetic record, the following requirements are to be satisfied. In this case, the commodity derivatives intermediary service auxiliary book may be prepared in tabulated form:

1. Upon receiving an offer, the content of the offer is to be inputted into a computer.

2. The date and time information is inputted into the computer is to be automatically recorded.

(xii) In the case of an order concerning a transaction for which a give-up action is performed, that fact is to be indicated.

(xiii) Regarding a transaction for which a give-up action is performed, a commodity derivatives intermediary service provider for which an order executing member, etc. is an entrusting commodity derivatives business operator, is not required to enter the distinction of new transaction and settled transaction and the distinction of exercise and non-exercise.

(xiv) With regard to Regarding a transaction for which a give-up action is performed, a commodity derivatives intermediary service provider for which a clearance executing member, etc. is an entrusting commodity derivatives business operator is not required to prepare the document.

		(xv) Regarding a transaction for which indication of the distinction of new transaction and settled transaction and the distinction of exercise and non-exercise is not required at the time of making an order in a commodity market opened by a commodity exchange according to the rules established by the commodity exchange, the information is not required to be entered.
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Appended Table 6 (Re: Article 171)

Type of Book	Information to be Entered	Precautions for Making Entries
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Specified over-the-counter commodity derivatives transaction journal	(i) Commodity or commodity index	(i) Regarding commodities or commodity indices, the document is to be prepared by entering those that specify the publishers of component products of listed commodities and commodity price or other subjects of transactions.
	(ii) Counterparty to a transaction	(ii) Regarding the type of transaction, the document is to be prepared by entering the following information in the case of a transaction stated in Article 2, paragraph (14), items (i) through (iii) of the Act:
	(iii) Contract date	1. Expiration month
	(iv) Amount of consideration or contract price, etc.	2. Distinction of new transaction and settled transaction
	(v) Type of transaction	(iii) Regarding the type of transaction, the document is to be prepared by entering the following information in the case of a transaction stated in Article 2, paragraph (14), items (iv) and (v) of the Act:
	(vi) Distinction of purchases and sales	1. Exercise period and Exercise Price
	(vii) Quantity (information equivalent to the quantity if there is no quantity)	2. Distinction of put option and call option
		3. Distinction of new transaction and settled transaction
		4. Distinction of exercise and non-exercise



		<p>5. Content of a transaction closed by exercise of an option</p> <p>(iv) Regarding the type of transaction, the document is to be prepared by entering the transaction period and the settlement date in the case of a transaction stated in Article 2, paragraph (14), item (vi) of the Act.</p>
Specified over-the-counter commodity derivatives transaction settlement calculation journal	<p>(i) Commodity</p> <p>(ii) Expiration month</p> <p>(iii) Counterparty to a transaction</p> <p>(iv) Contract date</p> <p>(v) Contract price or exercise price</p> <p>(vi) Settlement date</p>	<p>(i) With regard to commodities, the document is to be prepared by entering information that specifies the publishers of component products of listed commodities and commodity price or other subjects of transactions.</p> <p>(ii) With regard to the settlement quantity, the document is to be prepared by entering the distinction of receipt and delivery.</p>

	(vii) Settleme nt quantity (informat ion equivale nt to the quantity if there is no quantity)	
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Form No. 1 (Re: Article 3, item (ii); Article 4, items (ii) and (iii); Article 28, paragraph (1), item (iv); Article 29, items (ii) and (iii); Article 60, item (iii); Article 61, item (i), (g) and item (ii), (d); Article 62, item (i), (g) and item (ii), (d); Article 66, item (xi); Article 70, item (v); Article 80, paragraph (1), item (ix); Article 118, paragraph (2), item (xii); Article 121, paragraph (2), item (xii); and Article 134, paragraph (1), item (iv)); Form No. 1-2 (Re: Article 31-3, paragraph (1) and Article 36-11); Form 2 (Re: Article 31-4); Form No. 3 (Re: Article 80, paragraph (1), item (x); Article 118, paragraph (2), item (xiii); and Article 121, paragraph (2), paragraph (xiii)); Form No. 4 (Re: Article 80, paragraph (1), item (xvi); Article 118, paragraph (2), item (xix); and Article 121, paragraph (2), item (xix)); Form No. 5 (Re: Article 80, paragraph (1), item (xvii); Article 118, paragraph (2), item (xx); and Article 121, paragraph (2), item (xx)); Form No. 6 (Re: Article 80, paragraph (2), item (i) and Article 117, paragraph (1), item (ii)); Form No. 7 (Re: Article 83, paragraph (1)); Form No. 8 (Re: Article 85); Form No. 9 (Re: Article 91); Form No. 10 (Re: Article 100, paragraph (2)); Form No. 11 (Re: Article 116, paragraph (1)); Form No. 12 (Re: Article 117, paragraph (1), item (i)); Form No. 13 (Re: Article 126-6); Form No. 14 (Re: Article 126-27)