

COMMODITY FUTURES TRADING COMMISSION

FORM FBOT

FOREIGN BOARD OF TRADE APPLICATION FOR REGISTRATION (IN
ORDER TO PERMIT DIRECT ACCESS TO MEMBERS AND OTHER
PARTICIPANTS)

Tokyo Commodity Exchange, Inc.

10-7 Nihonbashi Horidomecho 1-Chome, Chuo-ku, Tokyo 103-0012 Japan

- If this Form FBOT is a new application for registration, complete in full and check here.
- If this Form FBOT is an amendment to a pending application or to a final application that resulted in the issuance of an Order of Registration, list and/or describe all items that are amended or otherwise updated and check here.

When appropriate, please attach additional page(s) containing a list and explanatory statement of amendment(s) or update(s).

GENERAL INFORMATION

1. Name under which the business of the foreign board of trade will be conducted, if different than name specified above:

2. List of principal office(s) where foreign board of trade activities are/will be conducted (please use multiple entries, when applicable):

Office (name and/or location): Tokyo, Japan
10-7 Nihonbashi Horidomecho 1-Chome,
Address: Chuo-ku, Tokyo 103-0012 Japan
Phone Number: +81-3-3661-9191
Fax Number: +81-3-3661-0089
Website Address: http://www.tocom.or.jp

3. Contact Information.

3a. Primary Contact for Form FBOT (*i.e.*, the person authorized to receive Commission correspondence in connection with this Form FBOT and to whom questions regarding the submission should be directed):

Name: Kevin M. Foley
Title: Partner
Email Address: kevin.foley@kattenlaw.com
525 W. Monroe
Mailing Address: Chicago, IL 60661
Phone Number: 312-902-5372
Fax Number: 312-902-1061

3b. If different than above, primary contact at the foreign board of trade that is authorized to receive all forms of Commission correspondence:

Name: Ryoichi Seki
Senior Vice President, Global Business
Title: Development
Email Address: seki@tocom.or.jp
10-7 Nihonbashi Horidomecho 1-Chome,
Mailing Address: Chuo-ku, Tokyo 103-0012 Japan
Phone Number: +81-3-3661-9191
Fax Number: +81-3-3664-0089

BUSINESS ORGANIZATION

Describe organizational history, including date and, if applicable, location of filing of original organizational documentation, and describe all substantial amendments or changes thereto.

The Tokyo Commodity Exchange ("TOCOM" or the "Exchange") was established on November 1, 1984 upon the merger of the Tokyo Textile Exchange (1951), the Tokyo Rubber Exchange (1952) and the Tokyo Gold Exchange (1982). In December 2008, TOCOM reorganized from a membership organization to a for-profit corporation. As part of the demutualization process, former exchange membership holders received common stock and non-voting stock. TOCOM is authorized by the Japanese Ministry of Economy, Trade and Industry ("METI") and Ministry of Agriculture, Forestry and Fisheries ("MAFF") ("Regulating Authorities") to conduct business as a derivatives exchange.

SIGNATURES

By signing and submitting this Form FBOT, the applicant agrees to and consents that the notice of any proceeding before the Commission in connection with the foreign board of trade's application for registration or registration with the Commission may be given by sending such notice by certified mail or similar secured correspondence to the persons specified in sections 3a and 3b above.

The Tokyo Commodity Exchange, Inc. has duly caused this Form FBOT to be signed on its behalf by the undersigned, hereunto duly authorized, this 28 day of November, 2014, the Tokyo Commodity Exchange, Inc., and the undersigned represent that all information and representations contained herein are true, current, and complete. It is understood that all information, documentation, and exhibits are considered integral parts of this Form FBOT. The submission of any amendment to Form FBOT represents that all items and exhibits not so amended remain true, current, and complete as previously filed.



Signature of Chief Executive Officer, on behalf of the Tokyo Commodity Exchange, Inc.

Name: Tadashi Ezaki

Title: President & CEO

Tokyo Commodity Exchange, Inc.

EXHIBIT A – GENERAL INFORMATION AND DOCUMENTATION

EXHIBIT A-1

Attach, as Exhibit A-1, a description of the following for the foreign board of trade: location, history, size, ownership and corporate structure, governance and committee structure, current or anticipated presence of offices or staff in the United States, and anticipated volume of business emanating from members and other participants that will be provided direct access to the foreign board of trade's trading system.

1. Location

Tokyo Commodity Exchange, Inc.'s ("TOCOM") principal business office is located at 10-7 Nihonbashi Horidomecho, 1-Chome, Chuo-ku, Tokyo 103-0012 Japan. TOCOM's principal business telephone number is +81-3-3661-9191. TOCOM's website is located at <http://www.tocom.or.jp>.

2. History

TOCOM (or the "Exchange") is the largest commodity exchange in Japan. It was established on November 1, 1984 upon the merger of the Tokyo Textile Exchange (1951), the Tokyo Rubber Exchange (1952) and the Tokyo Gold Exchange (1982). TOCOM's principal business is the operation of a commodity exchange for dealing in futures on listed commodities such as precious metals, rubber, oil and agricultural products ("Listed Commodities"), as stipulated under the Commodity Derivatives Act (the "CDA"), formerly known as the Japanese Commodity Exchange Act.¹ In December 2008, TOCOM reorganized from a membership organization to a for-profit corporation. As part of the demutualization process, former exchange membership holders received common stock and non-voting stock. TOCOM also raised additional funds from third-party investors, including trading houses, banks, securities firms, major newspaper companies and global financial institutions.

3. Size

In 2011, TOCOM had total volume of 31,670,031 futures contracts. For 2012, TOCOM had 25,479,111 futures contracts. For 2013, TOCOM had total volume of 26,845,712 futures contracts. In the first quarter of 2014, TOCOM had 5,020,979 futures contracts.

4. Ownership

The following companies are major shareholders of TOCOM.

- Nikkei Inc.
- Nihon Unicom, Inc.
- Nomura Holdings, Inc.

¹ The Japanese Commodity Exchange Act was amended in July 2009. The amendments were phased in over an 18-month period, with the final amendments becoming effective as of January 2011. As of January 2011, the name of the law was changed to the Commodity Derivatives Act. For convenience, this application will refer to the law by the acronym "CDA."

- Mizuho Capital Co., Ltd.
- Mizuho Bank, Ltd.
- Mitsubishi Bank, Ltd.
- Mitsubishi Corporation
- Yutaka Shoji Co., Ltd.
- Risona Bank Ltd.
- NTT Data Co.
- Sumitomo Corporation
- Barclays Bank PLC
- JIJI Press Ltd.
- Kanetsu Shoji Co., Ltd.
- Comtex Ltd.
- Electric Power Development Co., Ltd. (“J-POWER”)
- Itochu Corporation

The capital stock of the Exchange is composed of common stock, with each share having an equal value and conferring the same rights and obligations, and non-voting stock. Each stock unit represents 100 shares of the common stock and one share of non-voting stock.

5. *Corporate Structure, Governance and Committee Structure*

Details of TOCOM’s internal organization and corporate governance are set forth in the Exchange’s Articles of Incorporation (the “Articles”). TOCOM has additionally promulgated rules and regulations that address the organization of the Exchange and govern its market participants.

a. General Meeting of Shareholders

Only common stock shareholders may vote on matters at the general meeting of shareholders. Shares in TOCOM may not be transferred or acquired without the approval of the Exchange. Approximately 60 percent of common stock is held by former members.

b. Board of Directors

TOCOM’s Board of Directors (the “Board”) is composed of Directors who are elected by the shareholders. The Articles provide that one or more Public Directors must be experts who are capable of making a fair judgment about the administration and operation of commodity markets, and that such Public Directors may not engage in the business of a Member.

Generally, the Board is authorized to make decisions regarding the basic management policy of the Exchange and supervise the individual Directors and Executive Officers.

c. Committees

The Board has four committees, each of which is composed of a majority of Public Directors.

(i) The Self-Regulatory Committee is charged with ensuring the fairness of transactions in commodity markets and properly executing the self-regulatory responsibilities of the Exchange for the protection of customers. Activities that require authorization by the Self-Regulatory Committee include, *inter alia*: (a) the implementation of plans for auditing a Member's compliance with laws, orders or disciplinary measures; (b) imposing sanctions against Members; (c) establishing standards for Exchange membership eligibility and determining applicants' qualification under such standards; (d) examining Members' transactions in the commodity markets of the Exchange, if applicable; and (e) amending the Articles, Market Rules and other Exchange regulations regarding investigations of and sanctions against Members.

(ii) The Audit Committee is composed entirely of Public Directors. The Audit Committee is responsible for (a) auditing the execution of duties by Directors and Executive Officers, and (b) the agenda submitted at each general meeting of the shareholders regarding appointment and dismissal of the Accounting Auditor (and general oversight with respect to the duties and compensation of the Accounting Auditor). The Audit Committee has the authority to investigate TOCOM's business and its financial standing, investigate the business and financial standing of TOCOM's affiliate company, receive reports from the Compliance Committee on the information related to compliance matters, and receive reports from the Risk Committee regarding risk management.

(iii) The Nominating Committee selects the individuals whose names are to be submitted to a general meeting of shareholders for election as Directors. The Committee also has the authority to recommend the dismissal of Directors and refer the matter to the general meeting of shareholders.

(iv) The Compensation Committee makes decisions on policies regarding the compensation of Directors and executive officers and determines compensation for such individuals.

6. No U.S. Presence

TOCOM has no offices in the U.S. and does not intend to open a U.S. office. With the exception of the TOCOM website, TOCOM's marketing activities in the U.S. are limited to (i) TOCOM's presence at industry events, such as the International Futures Industry Conference held annually in Boca Raton, Florida, and (ii) occasional meetings between TOCOM staff and U.S.-based industry participants for the purpose of describing TOCOM and products listed on the Exchange. TOCOM endeavors as appropriate to describe the regulatory and legal restrictions applicable to U.S. persons trading Exchange products. TOCOM's staff does not provide investment services or accept, solicit, receive or direct orders in the U.S. with respect to products traded on the Exchange, and no trade processing or clearance functions are performed by TOCOM in the U.S.

7. *Anticipated Volume in U.S.*

TOCOM estimates that currently 20% of TOCOM's transaction volume is attributable to U.S. participants. For example, in 2013 TOCOM estimates that approximately 5 million transactions were attributable to U.S. participants. TOCOM expects that volume from U.S. firms could double once the FBOT application is approved.

EXHIBIT A-2

Articles of association, constitution, or other similar organizational documents.

See <http://www.tocom.or.jp/profile/kitei/index.html>

EXHIBIT A-3

- (1) Membership and trading participant agreements.**
- (2) Clearing agreements.**

See attached.

取引参加者契約書
Membership Agreement

平成 年 月 日
Date (yyyy/mm/dd)(/ /)

株式会社東京商品取引所 Tokyo Commodity Exchange, Inc.
代表執行役 江崎 格 殿 President & CEO Tadashi Ezaki

所在地

Address

商号又は名称

Trade name / Corporate name:

取引参加者代表者名

Name of Representative:

印 Seal

(署名 Signature)

当社は、株式会社東京商品取引所（以下「貴取引所」という。）の取引参加者として、次の事項を承諾します。

As a Member of the Tokyo Commodity Exchange, Inc. (the “Exchange”), we agree to the matters stated below.

1. 貴取引所が現に制定し、及び将来制定し、並びに改正する定款、業務規程、受託契約準則その他の規則及び貴取引所が定める事項（以下「規則」という。）に従うこと。また、取引の信義則を遵守すること。

We shall comply with Articles of Incorporation, Market Rules, Brokerage Rules, and other rules currently applied and in future enacted or revised by the Exchange and matters stipulated by the Exchange (“Rules”), and shall adhere to the principle of fair and equitable transactions.

2. 規則に基づき貴取引所が行う取引資格の取消し、全部若しくは一部の市場における取引若しくは商品清算取引の委託の停止若しくは制限、過怠金の賦課等の制裁及び措置に従うこと。

We shall comply with a cancellation of our membership qualification, termination or restriction on consignment of transactions or commodity clearing transactions in part or all markets, imposition of fines for negligence, and imposition of other sanctions and measures by the Exchange in accordance with the Rules.

3. 当社が取引資格を喪失する場合は、その喪失について当社が一切の責任を負い、貴取引所、他の取引参加者及び顧客に対し、一切迷惑をかけること。

In case of the loss of membership qualification, we shall assume any and all responsibilities with respect to such loss and cause no inconvenience whatsoever to the Exchange, other members, and customers.

4. 貴取引所からこの契約の内容の変更について通知された場合において、当社が所定の期日までに異議の申出をしないときは、その変更に同意したものとすること。

In case we are notified by the Exchange of a change in the provisions of this Agreement, unless objection has been filed on our part by the prescribed date, we are deemed to have agreed to such change.

5. 当社と貴取引所との間の諸通知（授受する書類を含む。）は日本語で作成し、金額の表示については本邦通貨で表示したものにより行うこと。

All the notices between us and the Exchange (including document deliveries) shall be prepared in Japanese with monetary amounts indicated in Japanese currency.

6. 当社が清算参加者である場合にあっては、貴取引所業務規程の規定により、貴取引所の市場における取引に基づき株式会社日本商品清算機構に対して負う債務の保証を貴取引所に委託すること。

We shall consign to the Exchange guarantee of liabilities to the Clearing House arising from transactions in the Exchange's market in case we are the clearing participants.

7. 当社と貴取引所との間の一切の訴訟については、東京地方裁判所のみをその管轄裁判所とすること。

The Tokyo District Court shall have exclusive jurisdiction with regard to any and all litigation between us and the Exchange.

以上

Exhibit A-3(1) – User Agreement

AGREEMENT ON USE OF TRADING SYSTEM

This English translation is being provided for informational purposes only and represents a desire by the Exchange to promote better understanding of the Exchange by non-resident participants. While care has been taken to ensure that the translation is accurate and complete, Tokyo Commodity Exchange, Inc. accepts no liability or responsibility for any loss or damages, including trading losses, that may be incurred from any inaccuracy or omission in the English translation. In the event of discrepancies between the English version and the original Japanese version, the Japanese version shall prevail. Any dispute that may arise within or without a court of law with regard to the meaning of the words, provisions and stipulations of this agreement shall be resolved in accordance with the Japanese texts.

This Agreement made and entered into by and between Tokyo Commodity Exchange, Inc. (hereinafter referred to as "TOCOM") and [APPLICANT NAME] (hereinafter referred to as "Client").

WITNESSETH:

WHEREAS, the Client wishes to use TOCOM's trading system.

NOW, THEREFORE, in consideration of the premises and the mutual covenants hereinafter contained, the parties hereby agree as follows:

Article 1: Objective

1. The objective of this Agreement is to set forth the basic conditions for the Client to use TOCOM's trading system (hereinafter referred to as "TOCOM's System").
2. "Client" shall refer to Market Trading Participant and Broker Trading Participant who have concluded a trading participant agreement with TOCOM (hereinafter referred to as "Trading Participant") or a seller of systems or a provider of services that can use TOCOM's System to Trading Participant, etc.
3. Detailed conditions, etc. shall be prescribed in the "System Usage Guidelines" established separately from this Agreement. TOCOM may revise the System Usage Guidelines if deemed necessary. However, TOCOM shall make reasonable efforts to give the Client adequate notice when revising the Guidelines.

Article 2: Definition of Terms.

The following terms used in this Agreement shall bear the meaning as described below.

	Term	Meaning of Term
1	Commercial Environment	This refers to the trading system in TOCOM'S System used by a Trading Participant, etc. for full-scale operation.
2	Staging Environment	This refers tot he trading system in TOCOM's system provided by TOCOM to the Client for a fee subject to conditions set forth separately from this Agreement for the purpose of conducting test, etc.
3	Network equipment	This refers to routers, LAN cables, etc. required by the client to connect TOCOM's System, which are purchased based on an application filed by the client with TOCOM.
4	API (Application Program Interface)	This refers to connection specifications disclosed by TOCOM for connecting to TOCOM's System. When the Client actually connects to TOCOM's System, a software library for API is provided.
5	Log-in user	This refers to the log-in user required by the Client to connect to TOCOM's System, which is provided and made available for use by permission based on an application filed by the Client with TOCOM. There are two types: "log-in user", which is used based on standard protocol; and "FIX log-in user", which is used based on FIX protocol.

6	Network gateway	This refers to communication servers installed on the exchange's system side required by the Client to connect to TOCOM's System, which are provided and made available for use by permission based on an application filed by the Client with TOCOM. In the case of "shared network gateway", one server is used by and shared among multiple Trading Participants (subject to log-in user application), whereas in the case of "dedicated network gateway", one server is used exclusively by one Trading Participant (application is required on an individual basis).
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Article 3: Method of Using TOCOM's System

1. TOCOM shall provide the Client with a system for the commercial environment and the staging environment.
2. The Client may use TOCOM's System by installing network equipment and communication lines specified by TOCOM and connecting the Client's system to TOCOM's System via a network gateway, according to the conditions set forth in this Agreement.
3. TOCOM shall disclose and provide the API to the Client when TOCOM's System is to be used (transactions are to be executed in TOCOM's market), and the Client shall build and use its own system using such API.

Article 4: Designated Vendor

TOCOM shall designate NTT Data Corporation for the following operations relating to the use of TOCOM's System (hereinafter referred to as "Designated Vendor"),

- (1) Receipt of application for work, sales, installation work, maintenance services, billing and collection of fees and other such operations relating to network equipment and communication lines shall be carried out in accordance with individual agreement(s) between the Designated Vendor and the Client pursuant to paragraph 2 of Article 7.
- (2) Receipt of application for use, billing and collection of fees and other such operations at TOCOM relating to log-in user and dedicated network gateway shall be carried out by the Designated Vendor on behalf of TOCOM based on entrustment by TOCOM.

Article 5: Conditions of Installation

Network equipment specified by TOCOM may be installed at the specified site in Japan under the Client's control. However, if the site specified by the Client is outside Japan, installation may be subject to approval based on consultation between the parties.

Article 6: Conditions of Use

1. The Client may have the API library, log-in user and password (hereinafter referred to as "API, etc.") provided by TOCOM and use TOCOM's System if approval is given by TOCOM.
2. Client shall not introduce, use, or disclose the API etc. other than internally or to any of the clients systems providers. Client shall not use the API etc. other than for the purpose of using Tocom's system.
3. TOCOM may instruct the Client to submit documents and conduct inspections if deemed necessary for the administration of TOCOM's System. In such cases, the Client shall follow TOCOM's instructions.

Article 7: Application for Installation and Use and Individual Agreement

1. When installing network equipment and communication lines specified by TOCOM, the Client shall submit the prescribed work application form to TOCOM and obtain TOCOM's approval. The same shall apply to cases in which such network equipment are to be modified, moved or removed. However, in the case of the staging environment, such network equipment, shall be arranged and installed by the Client.
2. The work application form referred to in the preceding paragraph shall be regarded as an order form to the Designated Vendor (individual agreement), and such individual agreement shall be deemed to have been concluded when the Designated Vendor issued the prescribed receipt or acceptance letter to the Client based on such work application form. If there are provisions in the individual agreement that are inconsistent with the provisions of this Agreement, the said individual agreement shall prevail over this Agreement and be applied accordingly.
3. When having API, etc. provided and using a dedicated gateway installed on TOCOM's System side, the Client shall submit the prescribed usage application form to TOCOM and obtain TOCOM's approval.

Article 8: Approval of Installation and Use

If TOCOM has approved the application referred to in the preceding Article, TOCOM shall notify the Client of such approval in writing, and register such approval in the administration 4 20110301 Version book relating to installation and use by the Client.

Article 9: Notification of Responsible Person

Upon using TOCOM's System, the Client shall select one person responsible for computers and one person responsible for accounting, both of whom are assigned to liaise with TOCOM, and notify such persons to TOCOM by using the application form prescribed by TOCOM. The same shall apply to cases in which there are changes to such persons.

Article 10: Commencement of Use

1. The Client may start using TOCOM's System upon the completion of the registration process in TOCOM's System after performing the procedures prescribed by TOCOM.
2. TOCOM shall be responsible for the orderly commencement of use including the network equipment based on the approval referred to in Article 8.

Article 11: Maintenance

After installing the network equipment based on the approval referred to in Article 8, the Client shall receive maintenance services for such equipment from the Designated Vendor while using TOCOM's System. However, if the Client moves, removes or performs other such work on devices without permission, the Client shall not be eligible for maintenance services. Maintenance services shall be limited to sites in Japan.

Article 12: Usage Fee

1. TOCOM shall set forth the fee for using TOCOM's System (hereinafter referred to as "Usage Fee") in the System Usage Guidelines.

2. TOCOM may revise the Usage Fee if deemed necessary, provided that TOCOM gives at least three-month's written notice to the Client.

Article 13: Payment of Usage Fee

1. The Client shall pay the Usage Fee in the manner specified when billed by TOCOM or the Designated Vendor.
2. The Client shall pay the Usage Fee according to the payment method set forth in the System Usage Guidelines by TOCOM.
3. If the Client has received services outside the scope of the flat-rate work fee, maintenance fee, etc. in the Usage Fee, the payment of charges, etc. for such services shall be treated in the same manner as in paragraph 1 of this Article.

Article 14: Delinquency charges

If the Client fails to pay the Usage Fee and the amount corresponding to consumption tax by the due date, TOCOM or the Designated Vendor may demand the Client to pay delinquency charges proportionate to the number of days in arrears counting from the day after the due date to the day on which the payment is fulfilled, calculated by multiplying the Usage Fee by an annual interest rate of 8.25%. However, if such late payment is attributable to TOCOM or the Designated Vendor, such delinquency charges shall not be applicable.

Article 15: Confidentiality

1. Both parties shall retain the confidentiality of technical, sales or other business information provided in the form of materials, electromagnetic recording media or other tangible media or by email or other electronic means from the other party for the performance of this Agreement that has been presented as a secret by the other party (hereinafter referred to as "Confidential Information") by exercising the care of a good manager, and shall not disclose Confidential Information to any third party except in cases where such Confidential Information is to be used by persons engaged in the performance of this Agreement or individual agreement(s).
2. Notwithstanding the provision of the preceding paragraph, Confidential Information shall not include the following materials or information relating to the performance of this Agreement:
 - (1) Materials and information that were already public knowledge or became public knowledge for reasons not attributable to the receiving party;
 - (2) Materials and information that had already been obtained;
 - (3) Materials and information that has been legitimately acquired from a third party without assuming the duty of confidentiality;
 - (4) Materials and information for which disclosure has been approved by the other party in writing; and
 - (5) Materials and information that has been uniquely developed or obtained without relying on Confidential Information.
3. Both parties shall use Confidential Information provided by and received from the other party solely within the scope of the objective of this Agreement, and if copying or modification is required, obtain the other party's approval in advance.

4. The duty of confidentiality under this Article shall remain effective for three years after the termination of this Agreement and all individual agreements.

Article 16: Exemption of Liability

The Client agrees that neither TOCOM nor TOCOM's officers, employees, representatives or contractors shall be liable for any damages resulting from faults in the Client's installed network equipment or communication lines, or TOCOM's System hardware or software. However, this may not be the case if such damages were caused intentionally or by gross negligence on the part of TOCOM.

Article 17: Damages

1. If either party suffers damages due to causes attributable to the other party in performing this Agreement, the affected party may claim compensation for direct and ordinary damages not exceeding the amount of expenses set forth in the individual agreement that directly caused such damages.
2. The scope of compensation that may be claimed against the other party referred to in paragraph 1 of this Article shall not include the following damages:
 - (1) Damages caused by natural disasters and other force-majeure events;
 - (2) Damages due to causes attributable to the claiming party; and
 - (3) Damages in the form of lost earnings.
3. If damages were caused intentionally or by gross negligence on the part of TOCOM, TOCOM may compensate for direct and ordinary damages in an amount not to exceed one month's Usage Fee received by TOCOM from the Client under this Agreement or the individual agreement referred to in paragraph 2 of Article 7.

Article 18: Assignment of Rights and Obligations

The Client shall not assign some or all of its rights or obligations under this Agreement to anyone without obtaining TOCOM's written approval in advance.

Article 19: Suspension of Use

TOCOM may immediately suspend the Client from using TOCOM's System without having to give any notice or warning if the Client:

- (1) Breaches this Agreement.
- (2) Disrupts the operation or administration of TOCOM's System or is deemed by TOCOM to be highly likely to do so.
- (3) Fails to pay the Usage Fee by the due date.

Article 20: Cancellation of Agreement

1. The Client shall be suspended from using TOCOM's trading system and automatically lose its rights and obligations under this Agreement, and TOCOM may immediately cancel all or part of this Agreement or individual agreement(s), without having to give any notice or warning, if the Client:
 - (1) Has been a Trading Participant but loses its qualification as a Trading Participant in all of TOCOM's markets;

- (2) Has its payments suspended or becomes insolvent;
 - (3) Has its bill or check dishonored;
 - (4) Is subject to attachment, provisional attachment or provisional injunction or a petition for foreclosure sale;
 - (5) Is subject to a petition for commencement of bankruptcy proceedings, corporate reorganization proceedings or civil rehabilitation proceedings;
 - (6) Seeks to dissolve the company or transfer all or a material part of its businesses to a third party; or
 - (7) Breaches this Agreement or an individual agreement, and fails to rectify the breach within fourteen days of receiving a written warning about such breach.
2. If any of the circumstances referred to in the subparagraphs of the preceding paragraph applies to the Client, any and all monetary debt owed to TOCOM shall immediately become due and payable by acceleration, and the Client shall immediately pay the same to TOCOM. The Client shall also promptly submit the prescribed work application form and commence procedures for the removal of communication lines. Depending on the Client's circumstances, TOCOM may execute the removal procedures on behalf of the Client.
 3. Even in cases where this Agreement is cancelled pursuant to paragraph 1 of this Article, if there is an individual agreement in effect, the provisions of this Agreement shall remain effective only to the extent that such provisions relate to the said individual agreement.

Article 21: Period of Agreement

1. This Agreement shall be effective for one year from the date of conclusion of this Agreement. However, this Agreement shall be extended for a period of one year from the day after its expiry date unless either party expresses its intention to the contrary no later than three months before its expiry; the same shall apply to subsequent periods.
2. If network equipment and communication lines have been installed before the conclusion of this Agreement based on an agreement between TOCOM or the Designated Vendor and the Client, the individual agreement referred to in paragraph 2 of Article 7 shall be deemed to have been concluded retroactively when the work application form submitted by the Client was signed/sealed by the Client and be treated accordingly.

Article 22: Export Management

If the Client wishes to take the network equipment (including the instruction manual, etc.) and technologies contained in such network equipment overseas or provide the same to a nonresident, the Client shall perform the appropriate procedures in accordance with related laws and regulations, such as obtaining an export license from the Minister of Economy, Trade and Industry.

Article 23: Court of Jurisdiction

Any and all disputes relating to this Agreement shall be subject to the exclusive jurisdiction of Tokyo District Court as the court of first instance agreed upon by the parties.

Article 24: Consultation

If any doubt arises over matters not stipulated in this Agreement or an individual agreement or over the provisions of this Agreement, the parties hereto shall resolve the issue amicably based on consultation in good faith.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement to be signed and sealed in duplicate, keeping one copy each.

_____, 200_

TOCOM: Tokyo Commodity Exchange, Inc.
1-10-7 Nihonbashi-Horidome-cho, Chuo-ku, Tokyo
President & CEO
Tadashi Ezaki SEAL

Client [APPLICANT NAME]
[APPLICANT ADDRESS]
SEAL
[APPLICANT REPRESENTATIVE TITLE]
[APPLICANT REPRESENTATIVE NAME] SEAL/SIGNATURE

EXHIBIT A-4

Terms and conditions of contracts to be available through direct access (as specified in Exhibit E).

TOCOM initially proposes to make the following contracts available for trading through the Exchange:

- Gold Standard (1kg)
- Gold Mini (100g)
- Gold Options (Call)
- Gold Options (Put)
- Silver
- Platinum Standard (500g)
- Platinum Mini (100g)
- Palladium
- Gasoline
- Kerosene
- Gas Oil
- Crude Oil
- Chukyo Gasoline
- Chukyo Kerosene
- Rubber
- Soybean
- Corn
- Azuki (Red Bean)
- Raw Sugar

With the exception of the (i) Gold Mini; (ii) Gold Options; (iii) Platinum Mini; and (iv) Crude Oil contracts, TOCOM contracts are settled by physical delivery. To the extent contracts are settled in cash, all of these contracts are settled in Japanese yen, payable at Japanese banks. None of these contracts has any nexus whatsoever to the United States.

EXHIBIT A-5

The national statutes, laws and regulations governing the activities of the foreign board of trade and its respective participants.

See <http://www.japaneselawtranslation.go.jp/law/detail/?id=1899&vm=04&re=02>

See also attached binder - Commodity Exchange Act (Act No. 239 of August 5, 1950) (Japan).

EXHIBIT A-6

The current rules, regulations, guidelines and bylaws of the foreign board of trade.

See <http://www.tocom.or.jp/profile/kitei/index.html>

EXHIBIT A-7

Evidence of the authorization, licensure or registration of the foreign board of trade pursuant to the regulatory regime in its home country jurisdiction and a representation by its regulator(s) that it is in good regulatory standing in the capacity in which it is authorized, licensed or registered.

See attached.



Ministry of Economy, Trade and Industry

May 16, 2012

The Secretary of the Commodity Futures Trading Commission

Three Lafayette Centre

1155 21st Street, NW

Washington, DC 20581

FBOTapplications@cftc.gov

Re: EXHIBITS A-7 AND F-5 ON THE FOREIGN BOARD OF TRADE APPLICATION FOR REGISTRATION

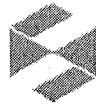
Dear Sir or Madam,

The Ministry of Economy, Trade and Industry (METI) is a government entity in Japan, established in 2001 by reorganizing the function of the Ministry of International Trade and Industry. The Minister of Economy, Trade and Industry, the head of the METI, is appointed by the Prime Minister.

METI is responsible, partially along with the Ministry of Agriculture, Forestry and Fisheries (MAFF), for the enforcement of the Commodity Derivatives Act (Act No. 239 of 1950) (CDA) that is the basic law governing commodity exchanges, commodity clearing organizations, commodity futures commission merchants, transactions traded on a commodity exchange and over the counter, the supervisory authority and sanction power given to the METI. The Commerce and Consumer Affairs Policy Division in METI is responsible for the daily enforcement of CDA.

For Exhibit A-7:

METI is authorized, pursuant to Article 9 or 78 of CDA, to grant permission or license for the establishment of a Member Commodity Exchange or an



Ministry of Economy, Trade and Industry

Incorporated Commodity Exchange that lists only industrial materials, respectively, and also, pursuant to Article 159, to render the rescission of the permission/license granted to such a Commodity Exchange, in the case where a Commodity Exchange violates CDA and if METI finds it necessary and appropriate for ensuring public interest or the fair and equitable principles of transactions or for protecting customers.

Tokyo Commodity Exchange (TOCOM) was registered in February 8, 1951, as the Tokyo Textile Exchange under the Commodity Exchange Act (Act No. 239 of 1950), which is the former act of CDA, with the Ministry of International Trade and Industry, the predecessor of METI. In November 1984, the Tokyo Textile Exchange merged with the Tokyo Rubber Exchange (registered in 1952) and the Tokyo Gold Exchange (permitted in 1982), and changed its name to TOCOM.

TOCOM is currently an Incorporated Commodity Exchange licensed under CDA, and is in good regulatory standing in its capacity to be a Commodity Exchange.

For Exhibit F-(5):

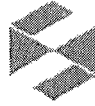
(i) Confirmation of Regulatory Status

(a) TOCOM

(See the representation in Exhibit A-7)

(b) Japan Commodity Clearing House (JCCH)

MAFF and METI, the Competent Ministers for a Commodity Clearing Organization pursuant to Article 354 of CDA, are authorized, pursuant to Article 167 of CDA, to grant license to conduct Business of Assuming Commodity Transaction Debts, and also, pursuant to Article 186, to render the rescission of the license granted to a Commodity Clearing Organization, in the case where a Commodity Clearing Organization violates CDA and if MAFF and METI find it necessary and appropriate



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for the proper and secure execution of Business of Assuming Commodity Transaction Debts.

Japan Commodity Clearing House (JCCH) was licensed in April 25, 2005, under CEA, which is the former act of CDA, with MAFF and METI. JCCH is currently a Commodity Clearing Organization licensed under CDA, and is in good regulatory standing in its capacity to be a Commodity Clearing Organization.

(ii) Any recent oversight reports relevant to TOCOM's regulatory status

Since TOCOM is in good regulatory standing in its capacity to be a Commodity Exchange, any oversight report relevant to TOCOM's regulatory status has not been issued.

(iii) Any significant regulatory concerns, inquiries, or investigation

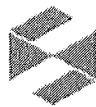
(a) TOCOM

METI is authorized, pursuant to Article 158 of CDA, to order a Commodity Exchange to (1) change its articles of incorporation or other rules, (2) change its business methods or (3) take any other necessary measures for improving the operation of its business, when METI finds it necessary and appropriate for ensuring the fair and equitable principles of transactions or for protecting customers. The operation of business includes a Commodity Exchange's arrangements to monitor trading by members or other participants located in the United States and the adequacy of the risk management controls of the trading.

METI has not issued an order to Improve business operations against TOCOM based on Article 158 of CDA.

(b) JCCH

MAFF and METI are authorized, pursuant to Article 185 of CDA, to order a Commodity Clearing Organization to (1) amend its articles of incorporation, business rules or other rules, (2) change its business methods or (3) take any other



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necessary measures for improving the operation of its business or the status of its property, when MAFF and METI find it necessary and appropriate for the proper and secure execution of Business of Assuming Commodity Transaction Debts. The operation of a Commodity Clearing Organization's business includes the adequacy of the risk management controls of the clearing system.

MAFF and METI have not issued an order to improve business operations against JCCH based on Article 185 of CDA.

(iv) Any investigations or disciplinary actions during the past year

(a) TOCOM or its senior officers

METI is authorized, pursuant to Article 157 of CDA, to (1) order a Commodity Exchange to submit a report or materials that provide information about its business or (2) enter into an office or a business office of the Commodity Exchange to inspect the books, documents and other articles related to its business, when METI finds it necessary for the enforcement of CDA.

Additionally, METI is authorized, pursuant to Article 159 (3) of CDA, to order a Commodity Exchange to dismiss its officer, if the officer of a Commodity Exchange has violated CDA, or orders/dispositions issued pursuant to CDA.

During the past year, METI ordered TOCOM to submit two separate reports that provide factual information. One is about a failure of the circuit breaker processing due to a coding error for platinum trading occurred on September 26, 2011. Other is about a trading halt in its gold market caused by system glitch on November 1, 2011. However, on-site inspection was not conducted.

METI has not ordered TOCOM to dismiss any officer based on Article 159 (3) of CDA.

(b) JCCH or its senior officers

MAFF and METI are authorized, pursuant to Article 184 of CDA, to (1) order a



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Commodity Clearing Organization to submit a report or materials that provide information about its business or (2) have their officials enter into an office or a business office of the Commodity Clearing Organization to inspect the books, documents and other articles related to its business, when MAFF and METI find it necessary for the enforcement of CDA.

Additionally, MAFF and METI are authorized, pursuant to Article 186 (4) of CDA, to order a Commodity Clearing Organization to dismiss its officer, if the officer of a Commodity Clearing Organization has violated CDA, or orders/dispositions issued pursuant to CDA.

MAFF and METI have not either ordered JCCH to submit any report or material or conducted on-site inspection pursuant to Article 184 of CDA.

MAFF and METI have not ordered JCCH to dismiss any officer based on Article 186 (4) of CDA.

Should you have any question, please feel free to contact me at ishizaki-takashi@meti.go.jp and Shoko Seta (née: Nakano) at nakano-shoko@meti.go.jp.

Sincerely,

Ishizaki, Takashi
Director for Commerce and Consumer Affairs Policy Division
Ministry of Economy, Trade and Industry (METI)

EXHIBIT A-8

A summary of any disciplinary or enforcement actions or proceedings that have been brought against the foreign board of trade, or any of the senior officers thereof, in the past five years and the resolution of those actions or proceedings.

There have been no disciplinary, enforcement or other proceedings brought against TOCOM, or any of the senior officers of TOCOM in the past five years.

EXHIBIT A-9

An undertaking by the chief executive officer(s) (or functional equivalent[s]) of the foreign board of trade to notify Commission staff promptly if any of the representations made in connection with or related to the foreign board of trade's application for registration cease to be true or correct, or become incomplete or misleading.

See attached.

[Letterhead of TOCOM]

I, Tadashi Ezaki, President and CEO of the Tokyo Commodity Exchange, Inc., undertake to notify the U.S. Commodity Futures Trading Commission if any of the representations made in connection with or related to the Tokyo Commodity Exchange Inc.'s application for registration cease to be true or correct, or become incomplete or misleading.



[Signature]

Name: Tadashi Ezaki

Title: President & CEO

Date: July 9, 2013

EXHIBIT B – MEMBERSHIP CRITERIA

EXHIBIT B(1)

A description of the categories of membership and participation in the foreign board of trade and the access and trading privileges provided by the foreign board of trade. The description should include any restrictions applicable to members and other participants to which the foreign board of trade intends to grant direct access to its trading system.

TOCOM's members are classified as Broker Members, Trade Members, Affiliate Members, Associate Members, or Remote Trade Members. "Broker Members" (only Futures Commission Merchants ("FCMs") located in Japan can apply) have direct access to trading on the Exchange and may act as agents for customers overseas and may also trade for their own accounts once they have been authorized to do so by the Exchange. "Trade Members" (only Japanese entities can apply) also have direct access to trading on the Exchange, but may only engage in proprietary trading. "Affiliate Members" (either Japanese or foreign firms can apply) and "Associate Members" (only foreign firms can apply) may trade indirectly through Broker Members (as customers). "Remote Trade Members" are members located outside of Japan, who can trade with direct access to TOCOM markets (subject to approval of such direct market access by the applicable foreign regulator).

Exchange membership is limited to:

- (i) Commercials – entities that engage commercially in buying and selling of underlying commodities, act commercially as intermediaries, intermediaries or agents for buying and selling, or engage commercially in production, processing or use of such goods on a continuous basis for the commodities markets of the Exchange;
- (ii) entities that are licensed as brokers under Article 190(1) of the CDA (each such license a "Broker License"), excluding commodity clearing transactions;
- (iii) entities that have obtained a license in a foreign jurisdiction under the provisions of the laws and regulations of such foreign jurisdiction equivalent to a Broker License with regard to accepting the consignment of futures transactions on a commodity market in a foreign jurisdiction, or engaging in business as a mediator, intermediary, or agent for said transactions (and such license includes registration and other administrative dispositions similar to a Broker License);
- (iv) entities that have given notice under Article 349 of the CDA of their intention to engage commercially in OTC commodity futures transactions with regard to underlying commodities; and
- (v) entities that fall under certain enumerated categories, including, *inter alia*, banks, insurance companies, commodity investment advisors, persons that engage in or intend to engage in a business of proprietary transactions on a commodity market and certain other named Japanese entities.

EXHIBIT B(2)

A description of all requirements for each category of membership and participation on the trading system and the manner in which members and other participants are required to demonstrate their compliance with these requirements. The description should include, but not be limited to, the following:

(i) Professional Qualification. A description of the specific professional requirements, qualifications, and/or competencies required of members or other participants and/or their staff and a description of the process by which the foreign board of trade confirms compliance with such requirements.

(ii) Authorization, Licensure and Registration. A description of any regulatory and self-regulatory authorization, licensure or registration requirements that the foreign board of trade imposes upon, or enforces against, its members and other participants including, but not limited to, any authorization, licensure or registration requirements imposed by the regulatory regime/authority in the home country jurisdiction(s) of the foreign board of trade. Please also include a description of the process by which the foreign board of trade confirms compliance with such requirements.

Under the Market Rules, an *entity* applicant for TOCOM membership must submit, along with the application form: (i) a copy of its articles of incorporation, its commercial registry and the address of its primary business office; (ii) certain information about its officers (including resumes); (iii) a representation that such entity and its officers do not fall under any Disqualifying Conditions set forth in Article 88 of the Market Rules; (iv) financial statements for the preceding year, including a balance sheet, income statements and documentation of its net asset value; and (v) information regarding its membership on any other commodity exchange.

An *individual* applicant for TOCOM membership must submit, along with the application form: (i) a resume and a copy of his residence certificate (and the same for such individual's statutory representative, if applicable); (ii) a representation that the applicant does not fall under certain Disqualifying Conditions set forth in Article 88 of the Market Rules; (iii) a financial statement identifying the amount of net assets owned by such individual; and (iv) information regarding such individual's membership on any other commodity exchange.

Broker Members are required to prepare and keep the books and records, including audited financial reports, prescribed by the CDA Cabinet Order Article 50 (separate accounting in books) and Article 113 (keeping the books). Other Members are also required to prepare and keep the books and records prescribed by Article 50.

Each applicant for membership must deposit a specified amount of cash or specified securities (*e.g.*, government bonds) into TOCOM's "Guarantee Fund" before trading on the Exchange. The amount of such deposit is stipulated in the Market Rules. In the event of a Broker Member's bankruptcy, a customer whose transactions in the TOCOM market are carried by the Broker Member has preference over other creditors of such Broker Member's Guarantee Fund with respect to the claims arising from the consignment. No Member may transfer or pledge to

another person rights to its Guarantee Fund deposits (except that a Broker Member may pledge its right to Guarantee Fund deposits to the National Futures Protection Fund).

Any individual who solicits customers at a Broker Member must be an officer or an employee of the Broker Member and must be registered as a Sales Representative as required in the CDA Article 200.

TOCOM's membership is open to foreign entities that have obtained a license equivalent to the Broker License provided under Article 190(1) of the CDA in their own jurisdiction under the provisions of the laws and regulations of such jurisdiction (with regard to accepting orders for the execution of futures transactions on a commodity market, or engaging in business as an intermediary, for said transactions), where the foreign jurisdiction requires registration and other administrative dispositions similar to Japan. A foreign broker cannot provide brokerage services in Japan without a Japanese Broker License. A person that wishes to apply for Japanese FCM status must have at least 100 million yen in net worth.

Foreign persons may also trade on the Exchange as Remote Trade Members, as discussed above.

Under Article 88 of TOCOM's Market Rules, an applicant for TOCOM membership will be automatically disqualified from consideration if:

- (i) such person has been declared incompetent or quasi incompetent;
- (ii) such person is bankrupt (and has not had its rights restored);
- (iii) such person was sentenced to imprisonment (or a more severe punishment) or subject to fines under the CDA or equivalent foreign law (provided five years have not passed since the date of completion or termination of such imprisonment or other punishment);
- (iv) such person had its permission granted under Article 96-19.1, 96-31.1 or 96-25.1 or the proviso clause of Article 96-25.3 of the CDA cancelled pursuant to the provisions of Article 96-22.1, 96-34.1 or 96-40.1, or has had its license granted under Article 9, 78, 167, 190.1, 332.1 or 342.1 was cancelled pursuant to the provisions of Article 159.1 or 159.2, 186.1 or 186.2, 235.3, 236.1 or 340.1, or had a similar permission or license granted in a foreign country under foreign laws comparable to the CDA (including registration or other administrative actions that are similar to such permission or license) was cancelled (provided five years have not passed since the date of such cancellation);
- (v) such person was an officer of an entity specified in the preceding clause (iv) within the thirty days immediately preceding the date of such cancellation (provided five years have not passed since the date of such cancellation);
- (vi) such person was expelled from, or had its membership qualification cancelled by, a commodity exchange pursuant to an order under Article 160.1 of the CDA or equivalent foreign laws (provided five years have not passed since the date of such expulsion or cancellation);

- (vii) such person was an officer of an entity specified in the preceding clause (vi) anytime within the thirty days immediately preceding the date of such cancellation (provided five years have not passed since the date of such cancellation);
- (viii) such person is an officer who was dismissed pursuant to an order under Article 96-40.2, 159.3, 160.1, 186.4 or 236.2 of the CDA, or equivalent provisions of foreign law (provided five years have not passed since the date of dismissal);
- (ix) such person is subject to a court order under Article 328.1 of the CDA or an order of a foreign court under equivalent foreign law (provided one year has not passed since the day on which such order was issued);
- (x) such person is a person specified in Article 331.1.3 of the Japanese Companies Act (“Companies Act”) (Act No. 86 of 2005);
- (xi) such person is a minor who does not have the legal capacity of an adult with regard to business, whose statutory representative falls under any of the preceding clauses; (xii) such person is an entity whose officers include a person who falls under any of the preceding items;
- (xiii) such person was expelled from the Exchange, another commodity exchange, or a financial instruments exchange established under the Japanese Financial Instruments and Exchange Act (Act No. 25 of 1948), or in the case of an entity, the officer representing such entity (provided five years have not passed since the date of such expulsion);
- (xiv) such person concealed the fact that it does not qualify as a Member under Article 85 of the CDA or the fact that it falls under any of the preceding clauses (provided five years have not passed since the date on which such concealment was revealed); or
- (xv) such person is deemed by the Exchange to not have sufficient social credibility or to be otherwise unsuitable to conduct proper business operations to engage in transactions in a commodity market (collectively, “Disqualifying Conditions”).

Membership Application Process

1. Consultation

Prospective members may consult with Exchange staff on membership qualifications.

2. Summary Documents

The prospective member submits documents summarizing the prospective member's qualifications under Exchange rules. The documents required for this stage in the process are listed below:

- Corporate brochure or other document that describes the applicant's business
- Document that proves that the applicant is eligible for membership

Exchange staff conduct an initial screening of the applicant based on an interview and the summary documents.

3. Formal Membership Application

Once the preliminary screening is completed, an applicant may submit the membership application. After all documents have been reviewed and a field audit is completed, the membership application is submitted to the Self-Regulatory Committee. The Self-Regulatory Committee must review and approve the application.

The documents required for this stage of the process are listed below:

- Document describing the outlook of the corporation and business of the applicant;
- Filled Membership Application Form;
- Written pledge of applicants eligibility for membership prescribed in Article 85 of the Market Rules;
- Written statement showing the location of the applicant's head office or principal office;
- Resumes of all the officers including the auditor;
- Written pledge that the applicant doesn't fall under disqualifying conditions;
- Written pledge from all the officers including the auditor that he/she doesn't fall under disqualifying conditions;
- Written statement showing that the applicant has no connection with antisocial forces;
- Notification of Membership in Other Exchanges;
- Articles of Incorporation of the applicant;
- Certified copy of commercial registration (In case of foreign companies, an equivalent);
- Certificates of residence of all the officers (showing registered address at birth; for foreign citizens, copy of passport or Certificate of Alien Registration);
- Financial Statements (For previous 3 terms);
- For the applicants that are Commercial:
 - Document describing the amount of trading of the physical commodities (For previous 3 terms; monthly records for the current fiscal year);

- One of the following document: copy of the sales contract or the statement of delivery from the physical commodities trade recorded in the above document, etc. (For the nearest month);
- For the applicants that are Commodity Derivatives Business Operators or FCMs: Copy of the license prescribed in Item 1 of Article 190 of the CDA, or an equivalent, in case of foreign companies);
- For financial instruments business operators in foreign countries equivalent to the Financial Instruments Business Operators prescribed in Article 2.9 of the Financial Instruments and Exchange Act (Act No. 25 of 1948) (limited to those engaged in Type I Financial Instruments Business prescribed in Article 28.1 of the same Act); Official Certificate of license;
- Auditors' report;
- Company organization chart (showing the number of employees and the names of the person in charge);
- Organization chart of the departments to related to commodity futures trading (showing the number of employees and the names of the person in charge);
- Internal governing structure (showing the number of employees and the names of the person in charge);
- Document describing the amount of trading expected after obtaining membership

4. Membership Granted/Denied

If the prospective member is approved, the firm must pay all registration fee and make a deposit of guarantee funds.

EXHIBIT B(2)(iii)

A description of the following:

(A) The financial resource requirements, standards, guides or thresholds required of members and other participants.

TOCOM Members

TOCOM does not prescribe any financial requirements to apply for membership, but TOCOM requires potential Members to submit documentation confirming their financial status, and examines it on a case-by-case basis.

Article 120 of the TOCOM Market Rules requires each Broker Member to submit to TOCOM each year records concerning the amount of its net assets, prepared as of the end of March. TOCOM can further require any Member to submit to the Exchange documents to prove the validity of such records.

Each applicant for membership must deposit a specified amount of cash or specified securities (e.g., government bonds) into TOCOM's "Guarantee Fund" before trading on the Exchange. The amount of such deposit is stipulated in the Market Rules.

A summary of the financial obligations for obtaining membership is as follows:

Broker Member:

	Precious Metals	Oil	Rubber	Chukyo Oil	Agricultural Products & Sugar
Guarantee Fund	JPY 3 million	JPY 1 million	JPY 1 million	JPY 1 million	JPY 1 million
Registration Fee	For each market: JPY 10 million (cap: JPY 25 million)				10 million
Annual Membership Dues	For each market: JPY 720,000			JPY 480,000	720,000 (until March 2014; 360,000)

Trade Members:

	Precious Metals	Oil	Rubber	Chukyo Oil	Agricultural Products & Sugar
Guarantee Fund	JPY 3 million	JPY 1 million	JPY 1 million	JPY 1 million	JPY 1 million
Registration Fee	For each market: JPY 10 million (cap: JPY 25 million)				10 million
Annual Membership Dues	For each market: JPY 600,000			JPY 360,000	600,000 (until March 2014; 100,000)

Remote Trade Member and Remote Broker Member:

	Precious Metals	Oil	Rubber	Chukyo Oil	Agricultural Products & Sugar
Guarantee Fund	JPY 3 million	JPY 1 million	JPY 1 million	JPY 1 million	JPY 1 million
Registration Fee	For each market: JPY 1 million (cap: JPY 2.5 million)				1 million
Annual Membership Dues	For each market: JPY 600,000			JPY 360,000	600,000 (until March 2014; 100,000)

Affiliate Member:

	Precious Metals	Oil	Rubber	Chukyo Oil	Agricultural Products & Sugar
Guarantee Fund	JPY 3 million	JPY 1 million	JPY 1 million	JPY 1 million	JPY 1 million
Registration Fee	For each market: JPY 1 million (cap: JPY 2.5 million)				
Annual Membership Dues	For each market: JPY 120,000			JPY 60,000	120,000 (until March 2014; 100,000)

Associate Member:

	Precious Metals	Oil	Rubber	Chukyo Oil	Agricultural Products & Sugar
Registration Fee	JPY 500,000	JPY 200,000	JPY 100,000	N/A	JPY 200,000
Annual Membership Dues	JPY 250,000	JPY 100,000	JPY 50,000	N/A	JPY 100,000

(B) The manner in which the foreign board of trade evaluates the financial resources/holdings of its members or participants.

An *individual* applicant for TOCOM membership must submit, along with the application form:

- (i) a resume and a copy of his residence certificate (and the same for such individual's statutory representative, if applicable);
- (ii) a representation that the applicant does not fall under certain Disqualifying Conditions set forth in Article 88 of the Market Rules;
- (iii) a financial statement identifying the amount of net assets owned by such individual; and
- (iv) information regarding such individual's membership on any other commodity exchange.

Under the Market Rules, an *entity* applicant for TOCOM membership must submit, along with the application form:

- (i) a copy of its articles of incorporation, its commercial registry and the address of its primary business office;
- (ii) certain information about its officers (including resumes);
- (iii) a representation that such entity and its officers do not fall under any Disqualifying Conditions set forth in Article 88 of the Market Rules;
- (iv) financial statements for the preceding year, including a balance sheet, income statements and documentation of its net asset value; and
- (v) information regarding its membership on any other commodity exchange.

(C) The process by which applicants demonstrate compliance with financial requirements for membership or participation including, as applicable:

(i) Working capital and collateral requirements, and

See response to B(2)(iii)(A), pp. 35-37, above.

(ii) Risk management mechanisms for members allowing customers to place orders.

Generally, customers that are not TOCOM Members cannot place orders directly with the Trading Host; they are required to place orders through the System of a TOCOM Member. Members are required by TOCOM Rules to confirm and keep records of the specifics of such customer orders by their own systems. A customer may enter into an agreement with a Member permitting such customer, subject to the approval and management of the Member, to place orders directly with the Trading Host using direct market access (“DMA”). A Member that enters into such an agreement is required to have in place a certain level of risk management prescribed by TOCOM guidelines. In order to enable such a Member to perform the necessary risk management, the Trading Host will provide functions to allow the Member to monitor the placement and execution status of customer orders on a real-time basis and to cancel customer orders in an emergency.

(iii) Fit and Proper Standards. A description of how the foreign board of trade ensures that potential members/other participants meet fit and proper standards.

See response to B(2)(ii), pp. 30-32, above.

See response to B(2)(iii)(B), p. 48, above.

EXHIBIT C – BOARD AND/OR COMMITTEE MEMBERSHIP

EXHIBIT C(1)

A description of the requirements applicable to membership on the governing board and significant committees of the foreign board of trade.

Board of Directors

TOCOM's Board is composed of Directors who are elected by the shareholders. The Articles provide that one or more Public Directors must be experts who are capable of making a fair judgment about the administration and operation of commodity markets, and that such Public Directors may not engage in the business of a Member.

Generally, the Board is authorized to make decisions regarding the basic management policy of the Exchange and supervise the individual Directors and Executive Officers.

Committees

The Board has four committees, each of which is composed of a majority of Public Directors.

(i) The Self-Regulatory Committee is charged with ensuring the fairness of transactions in commodity markets and properly executing the self-regulatory responsibilities of the Exchange for the protection of customers. Activities that require authorization by the Self-Regulatory Committee include, *inter alia*, (a) implementing plans for auditing a Member's compliance with laws, orders or disciplinary measures; (b) imposing sanctions against Members; (c) establishing standards for Exchange membership eligibility and determining applicants' qualification under such standards; (d) examining Members' transactions in the commodity markets of the Exchange, if applicable; and (e) amending the Articles, Market Rules and other Exchange regulations regarding investigations of and sanctions against Members.

(ii) The Audit Committee is composed entirely of Public Directors. The Audit Committee is responsible for (a) auditing the execution of duties by Directors and Executive Officers, and (b) the agenda submitted at each general meeting of the shareholders regarding appointment and dismissal of the Accounting Auditor (and general oversight with respect to the duties and compensation of the Accounting Auditor). The Audit Committee has the authority to investigate TOCOM's business and its financial standing, investigate the business and financial standing of TOCOM's affiliate company, receive reports from the Compliance Committee on the information related to compliance matters, and receive reports from the Risk Committee regarding risk management.

(iii) The Nominating Committee selects the individuals whose names are to be submitted to a general meeting of shareholders for election as Directors. The Committee also has the authority to recommend the dismissal of Directors and refer the matter to the general meeting of shareholders.

(iv) The Compensation Committee makes decisions on policies regarding the compensation of Directors and executive officers and determines compensation for such individuals.

See attached organization chart.

Organization

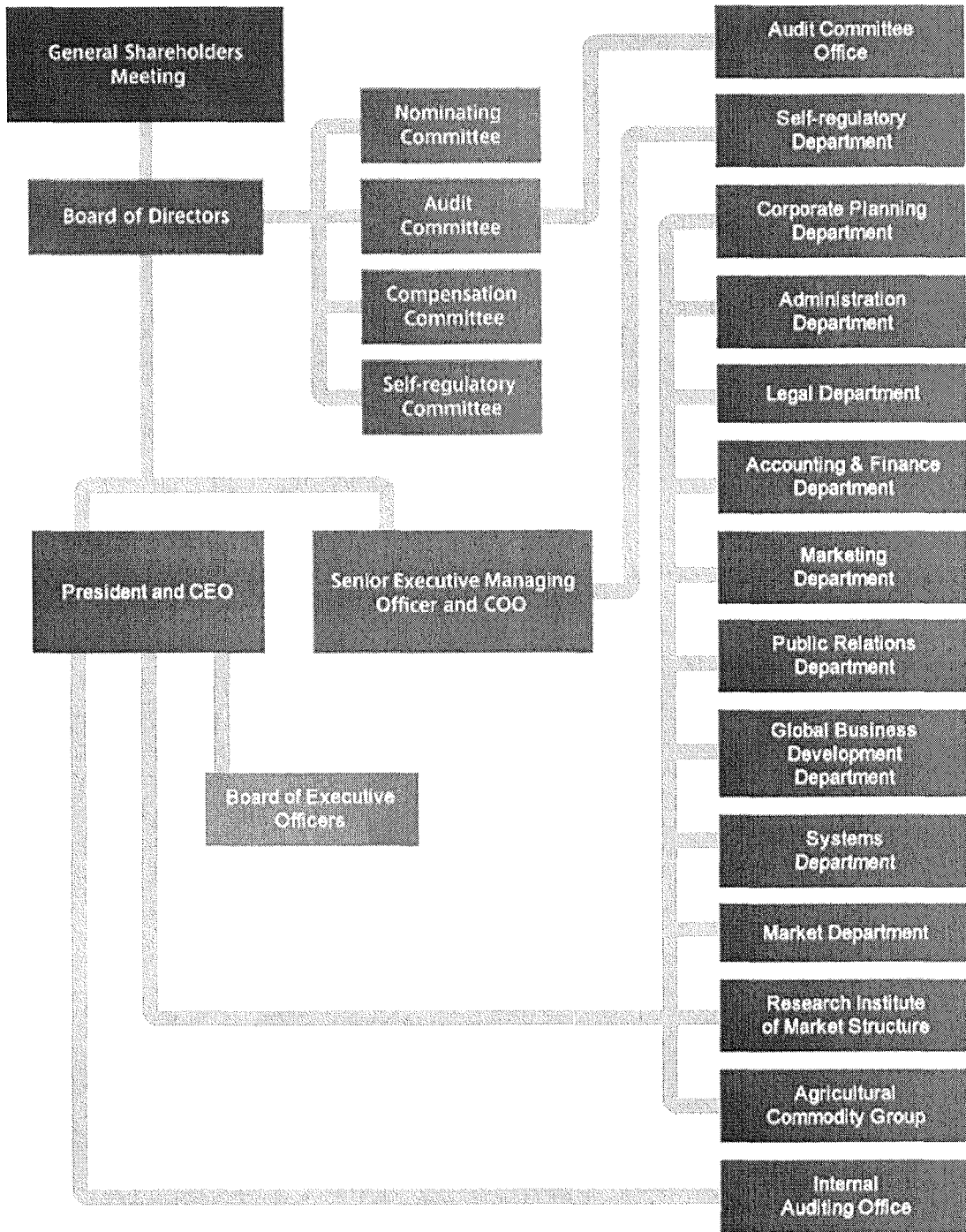


EXHIBIT C(2)

A description of the process by which the foreign board of trade ensures that potential governing board and committee members/other participants meet these standards.

Candidates for Director positions are nominated by the Nomination Committee based on the standards for candidate selection that are predetermined by the Committee.

Members of the Nomination, Compensation, Audit, and Self-Regulatory Committees are selected from Directors and appointed by the Board of Directors. Therefore, the Nomination Committee selects candidates in consideration of the composition of these Committees, in addition to the standard mentioned above.

EXHIBIT C(3)

A description of the provisions to minimize and resolve conflicts of interest with respect to membership on the governing board and significant committees of the foreign board of trade.

All companies in Japan, including TOCOM, are regulated by the Companies Act. Article 355 (Duty of Loyalty) of the Companies Act requires that directors perform their duties in a loyal manner in accordance with laws and regulations, the articles of incorporation, and resolutions of shareholders.

Article 356 (Restrictions on Competition and Conflicting Interest Transactions) requires a director to disclose the material facts of any transaction with the company of which the director is a party.

In addition, TOCOM's Articles of Incorporation and a number of regulations approved by TOCOM's Board of Directors are designed to minimize potential conflicts of interest with respect to membership on the governing board and significant committees. The relevant provisions are identified and summarized below.

Article of Incorporation	Article 32 (Number of Directors), Paragraph 2	The majority of the Directors shall consist of Public Directors (meaning Public Directors prescribed in Article 2.15 of the Companies Act; the same shall apply hereinafter).
	Article 33 (Election of Directors), Paragraph 2	One or more Public Directors shall be elected among experts who are capable of making a fair judgment about the administration and operation of commodity markets, provided that they are not engaging in the business of a Member prescribed by Article 2.16 of the Commodity Derivatives Act ("Member") or the like.
	Article 56 (Self-regulatory Committee), Paragraph 2	The Self-regulatory Committee shall consist of at least three members. The majority of members of the Self-regulatory Committee shall consist of Public Directors.
Board of Directors Regulations	Article 9 (Resolutions), Paragraph 4	A Director who has a special interest in a resolution described in the preceding three Paragraphs may not participate in the vote on the resolution.
Directors Regulation	Article 16 (Restriction on Competition and Transactions Involving Conflict of Interests)	<p>1. In the following cases, a Director shall disclose the material facts on the relevant transactions at a meeting of the Board of Directors and obtain approval of the Board.</p> <p>(1) When a Director intends to enter into, for himself/herself or for a third party, any transactions in the line of business of the Exchange;</p> <p>(2) When a Director intends to enter into any transactions with the Exchange for himself/herself or for a third party; or</p> <p>(3) When the Exchange intends to guarantee the debts of a Director or otherwise to enter into any transactions with a person other than the Director that results in a conflict of interest between the Exchange and such Director.</p>

		2. A Director who entered into any of the transactions listed in each of the Items of the preceding Paragraph shall promptly report to the Board of Directors on the material facts about the transaction.
Executive Officers Regulations	Article 17 ((Restriction on Competition and Transactions Involving Conflict of Interests))	<p>1. In the following cases, an Executive Officer shall disclose the material facts on the relevant transactions at a meeting of the Board of Directors and obtain the approval of the Board.</p> <p>(1) When an Executive Officer intends to enter into, for himself/herself or for a third party, any transactions in the line of business of the Exchange;</p> <p>(2) When an Executive Officer intends to enter into any transactions with the Exchange for himself/herself or for a third party; or</p> <p>(3) When the Exchange intends to guarantee the debts of an Executive Officer or otherwise to enter into any transactions with a person other than the Executive Officer that results in a conflict of interest between the Exchange and such Executive Officer.</p> <p>2. An Executive Officer who entered into any of the transactions listed in each of the Items of the preceding Paragraph shall promptly report to the Board of Directors on the material facts about the transaction.</p>
Nomination Committee Regulations	Article 2 (Committee Structure), Paragraph 2	The Nomination Committee shall consist of three or more Committee Members, a majority of whom shall be Public Directors.
Audit Committee Regulations	Article 2 (Committee Structure), Paragraph 2	The Audit Committee shall consist of three or more Committee Members, a majority of whom shall be Public Directors.
Self-regulatory Committee Regulations	Article 4 (Committee Chairman), Paragraph 2	The Committee Chairman shall be elected from the Public Directors by an internal vote of the Committee Members.
	Article 8 (Resolutions)	<p>1. Resolutions of the Self-regulatory Committee shall be passed by a majority of votes of the Committee Members present at the meeting, combined with a majority of the votes of the Committee Members who are Public Directors present at the meeting, provided that a majority of the voting Committee Members are present.</p> <p>2. A Committee Member who has a conflict of interest in a resolution described in the preceding Paragraph may not vote on the resolution.</p>

EXHIBIT C(4)

A description of the rules with respect to the disclosure of material non-public information obtained as a result of a member's or other participant's performance on the governing board or significant committee.

As described in Exhibit C(3), all directors are subject to the duty of loyalty of Article 355 of the Companies Act.

In addition, officers and employees are subject to Article 161 of the CDA concerning the confidentiality obligations of officers and employees of a commodity exchange. Article 161 requires that an officer or employee of a commodity exchange may not disclose to third parties, or make unauthorized use of confidential information obtained in the course of his/her duties.

Further, TOCOM Market Rules provide that if the Exchange determines that the Articles of Incorporation, officers, organization, or business relationships of a Member corporation undermine (i) the credibility of such Member, (ii) fair and equitable principles of trade, or (iii) the purpose and organization of the Exchange, the Exchange may require the Member to take such corrective action as the Self-Regulatory Committee may order. The Rules permit a Member to appeal such an order.

EXHIBIT D – THE AUTOMATED TRADING SYSTEM

EXHIBIT D-1(1)

A description of (or where appropriate, documentation addressing) the following, separately labeling each description:

(1) The order matching/trade execution system, including a complete description of all permitted ways in which members or other participants (or their customers) may connect to the trade matching/execution system and the related requirements (for example, authorization agreements).

Overview of the System

In May 2009, TOCOM implemented the NASDAQ OMX (“NOMX”) trading system (the “TOCOM System”) adopting OMCLICK XT™ (“CLICK”) and SECUR™ in order to meet global standards. TOCOM’s goal was to introduce a system that delivers the highest level of performance and aligns domestic trading practices with those accepted internationally. Accordingly, TOCOM uses the standard features of CLICK with as little customization as possible for order matching, the critical component of the TOCOM System.

CLICK is a trading system developed by Sweden-based NOMX, and is currently used by a number of markets, including, *inter alia*, International Securities Exchange in the U.S., Singapore Exchange in Singapore, Hong Kong Exchange in Hong Kong, Australian Stock Exchange in Australia, Thailand Futures Exchange in Thailand, and the OMX Nordic Exchange serving the Nordic and Baltic regions. The functionality of CLICK has been expanded as an integrated package software to include cash, futures, and options transactions.

The TOCOM System is operated under the System Operation Agreement between TOCOM and NTT Data Corporation (“NTTD”) and the Support and Maintenance Agreement between NTTD and NOMX.

NTTD is a Japanese systems integration service provider that was established through a spinoff of Nippon Telegraph and Telephone Corporation. NTTD previously supported TOCOM’s trading and clearing systems by providing system development and operation support for the first generation system implemented in 1991, and the second generation system upgraded in 2003.

The central order processing unit of the TOCOM System (the “Trading Host”) is installed in Tokyo. TOCOM also provides the network and API that enable Members’ and information vendors’ terminals and systems to be connected with the Trading Host. There are two types of API — one for NOMX standards (native API) and one for the FIX protocol.

Members are required to have their own trading terminals and other necessary equipment, either by implementing trading software provided by an independent software vendor (“ISV”) or by developing proprietary trading software on their own. The TOCOM System allows DMA connections and proximity services to enable Remote Trade Members or proprietary trading firms to carry out transactions with low latency.

Trading Host

The Trading Host is a system to perform matching of orders. Every time the scope of TOCOM's business is expanded or modified, the functionality and capability of the Trading Host are verified, and its operations are carefully reviewed.

The connectivity with the Trading Host is limited to TOCOM Members. Further, the Trading Host is set to allow each Member to trade only in the market(s) approved by TOCOM for such Member. This mechanism allows TOCOM to prevent U.S. Members from connecting with the Trading Host with respect to trades not approved in the U.S.

Generally, customers that are not TOCOM Members cannot place orders directly with the Trading Host; they are required to place orders through the System of a TOCOM Member. Members are required by TOCOM Rules to confirm and keep records of the specifics of such customer orders by their own systems. A customer may enter into an agreement with a Member permitting such customer, subject to the approval and management of the Member, to place orders directly with the Trading Host using DMA. A Member that enters into such an agreement is required to have in place a certain level of risk management prescribed by TOCOM guidelines. In order to enable such a Member to perform the necessary risk management, the Trading Host will provide functions to allow the Member to monitor the placement and execution status of customer orders on a real-time basis and to cancel customer orders in an emergency.

EXHIBIT D-1(2)

The architecture of the systems, including hardware and distribution network, as well as any pre- and post-trade risk-management controls that are made available to system users.

The network provided by TOCOM uses the Ethernet consolidated network and serves to connect the Trading Host in Tokyo with the systems of Members in Japan. This network is based on a redundant configuration using a main line and a backup line. When the Trading Host or a Member's system detects trouble in the network's main line, or when the system of a Member detects a problem, the network will automatically switch over to the backup line.

Market participants from overseas (*i.e.*, Remote Trade Members approved by TOCOM and overseas customers for whom DMA connections are approved by TOCOM through a Member in Japan) connect with the Trading Host using the hosting services provided by proximity vendors designated by TOCOM, or through international networks that are connected to such vendors. Such participants may also connect with the Trading Host through a Member based in Japan.

The Trading Host does not provide participants with pre- and post-trade risk management controls. Participants may utilize their own risk controls, however.

See attached.

TOCOM system (Blue area) has some interfaces to other organizations, such as JCCH (Japan Commodity Clearing House), METI, and ODE (Osaka Dojima Commodity Exchange)

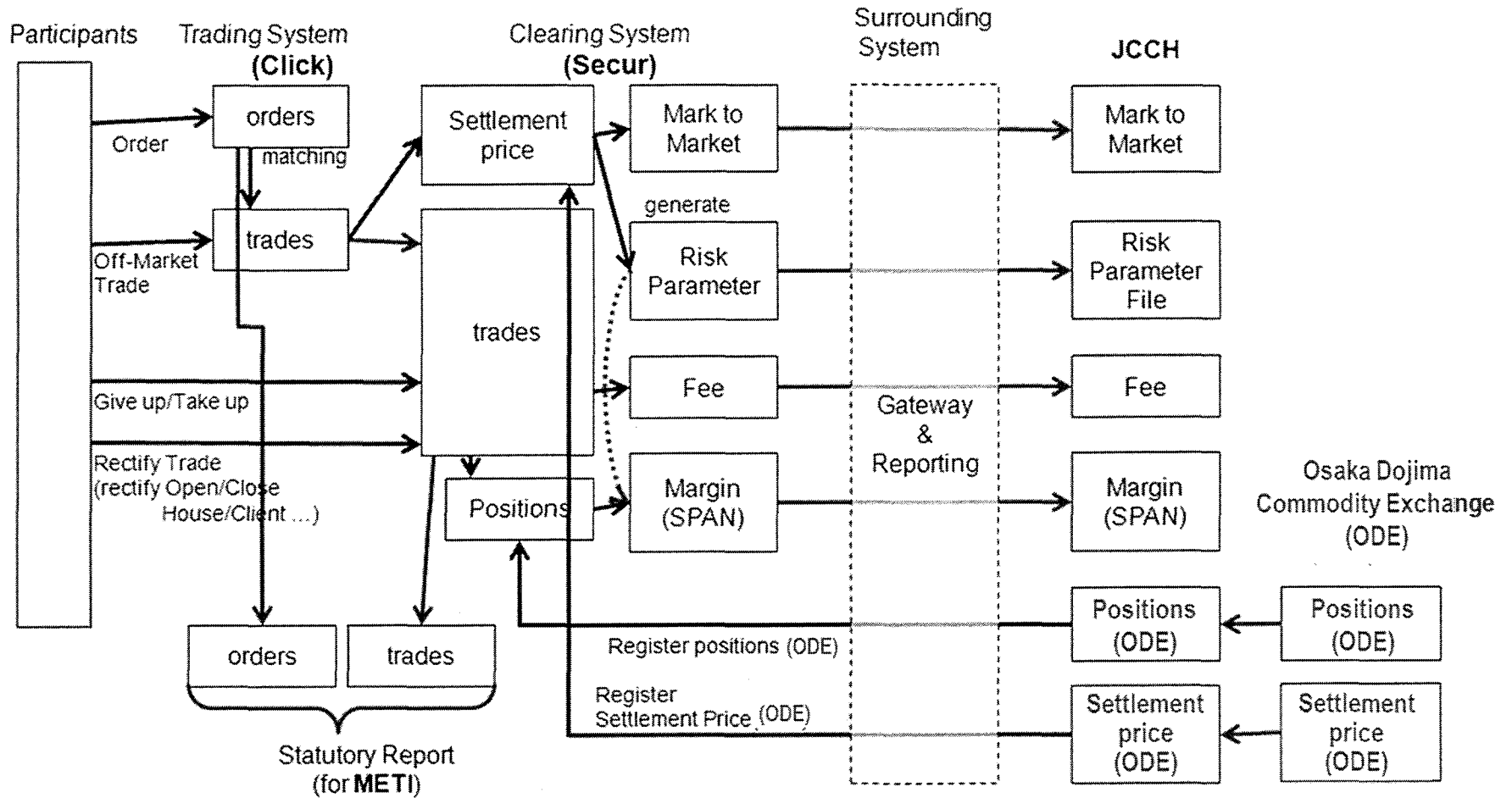


EXHIBIT D-1(3)

The security features of the systems.

TOCOM has established a system that enables the Exchange to continuously monitor the log-in status, the network connection status, and the system operation status and to make an inquiry and confirmation with the members and NTTD, as necessary.

The Trading Host incorporates a security system to handle authentication and information storage and ensures the security system's reliability by using the functions embedded in API that are not accessible externally.

Communication with the Trading Host is limited to authorized Members. In accessing the Trading Host, a Member is required to log in to the security system by using its participant code, user ID and a password granted by TOCOM. Where a Member has approved a customer's DMA connection with the Trading Host, upon receipt of an application from such Member, TOCOM will provide an additional participant code and user ID so that the Member can permit the customer to place orders directly with the Trading Host. At the same time, the Member will be able to perform the necessary risk management by monitoring the placement and execution of such customer's orders.

Each Member is required to appoint a "System Administrator" to manage the information required to access the Trading Host and an "Operation Manager" responsible for the management of trading operations. The System Administrator applies to TOCOM to obtain system information required for access to the Trading Host and is responsible for the management of the information provided by TOCOM after its examination and approval.

The Operation Manager is required to manage all the orders placed by the Member's proprietary traders and customers, and to confirm that the Member's trading operations are conducted in full compliance with TOCOM Rules. The Operation Manager must also (i) have the authority to correct or cancel any orders to mitigate the Member's risk of exposure to abnormal customer orders, and (ii) follow instructions by TOCOM given when the Exchange believes that an abnormal customer order has been placed, and to disclose information about such order promptly upon request.

EXHIBIT D-1(4)

The length of time such systems have been operating.

The TOCOM trading system has been in place since May 2009. *See Exhibit D-1(1)* for more details.

EXHIBIT D-1(5)

Any significant system failures or interruptions.

TOCOM is providing information concerning system failures and interruptions for the current TOCOM Trading System, which, as noted earlier, was implemented in May 2009. Below are summaries of the significant system failures or interruptions experienced by the Trading System.

1. Suspension of Day Session – May 12, 2009

TOCOM suspended its day session of trading from 11:35 a.m. to 3:00 p.m. on May 12, 2009. The cause of the suspension of trading was due to a connectivity failure.

A summary of the trading suspension can be found at:
<http://www.tocom.or.jp/news/2009/20090623.html>.

2. Suspension of Bait Order – June 30 – July 17, 2009

The bait order on the TOCOM System was suspended from June 30 until July 17, 2009. Bait orders are generated with standard combination orders. When a standard combination order is used by a TOCOM participant, a bait order may be generated to buy or sell the distant contract month in accordance with the buy or sell limit order with the best price for the near contract month. On June 30, 2009, TOCOM suspended the use of the bait orders due to a defect in the trading software. A summary of the suspension of the bait order can be found at the following links:

http://www.tocom.or.jp/news/2009/06292009_1.html

http://www.tocom.or.jp/news/2009/20090710_SCONoticeE.html

http://www.tocom.or.jp/news/2009/20090717_SCONoticeE.html

3. Suspension of Night Session for Gold Contracts – November 27, 2009

On November 27, 2009, TOCOM suspended the night session for gold contracts until November 30th. A summary of the suspension can be found at:

<http://www.tocom.or.jp/news/2009/20091130.html>

4. Circuit Breaker Issues in Platinum – September 26, 2011

On September 26, 2011, the circuit breakers designed for the platinum market did not operate correctly. TOCOM fixed the problem by October 11, 2011. A summary of the issues can be found at:

http://www.tocom.or.jp/news/2011/20110928CB_problem.html

http://www.tocom.or.jp/news/2011/20111007_cbe.html

5. Suspension of the Night Session for Gold Contracts – November 1, 2011

On November 1, 2011, TOCOM suspended the night session for gold contracts until the next trading day. The reason for the suspension was a detected system bug in the software of the trading engine.

http://www.tocom.or.jp/urgent_comment.html

http://www.tocom.or.jp/urgent_comment.html

EXHIBIT D-1(6)

The nature of any technical review of the order matching/trade execution system performed by the foreign board of trade, the home country regulator, or a third party.

Regulating Authorities perform a review of the order matching and trade execution system of TOCOM. In addition, TOCOM has engaged NTTD to perform more frequent reviews of TOCOM's Trading System. NTTD provides TOCOM with weekly reports summarizing the performance of the Trading System including the Trading System response time, CPU usage rate, time to complete batch processing, etc.

EXHIBIT D-1(7)

Trading hours.

All products are available during the day session which operates from 9:00 a.m. to 3:15 p.m. local time (8:00 p.m. to 2:15 a.m. EDT).

The precious metals, oil and agricultural markets are available in the night session from 4:30 p.m. to 4:00 a.m. local time (4:00 a.m. to 2:30 p.m. EDT).

The rubber market closes at 7:00 p.m. local time (6:00 a.m. EDT).

EXHIBIT D-1(8)

Types and duration of orders accepted.

There are seven order types that can be processed by the Trading Host:

(i) Limit Order (“LO”) — A Limit Order is an order at a specified price or better. A sell order is executed at a price no less than the specified price and a buy order is executed at a price no more than the specified price.

(ii) Market Order (“MO”) — A Market Order is an order without specifying an execution price. Such order is immediately executed during a session at the current market price if there is a matching order. Otherwise, the remaining orders are cancelled. Similarly, such orders are also executed at the time of Opening Auction if there is a matching order. Otherwise, the remaining orders are cancelled.

(iii) Market to Limit Order (“MTLO”) — A Market to Limit Order is an order without specifying an execution price. Such order is converted into an LO at the best bid (for sell orders) or best offer (for buy orders) and executed accordingly if there are matching orders. If the order is partially executed, the remainder of the order is stored as an LO at the execution price. If such order cannot be executed (matched), it is stored as an LO at a price one tick better than the best bid/offer on the same side of the market. If there are no indicative price quotations on both sides, such order is cancelled.

(iv) Best Limit Order (“BLO”) — A Best Limit Order is an order without specifying an execution price. Such order is converted into an LO at the best bid/offer on the same side of the market. If there are no indicative price quotations on both sides, such order is cancelled.

(v) Stop Order (“SO”) — A Stop Order is converted into a specified order (LO, MO, MTLO, BLO, or SCO) once the condition specified at the time of order placement is met. If the specified condition is not met during the session, such order is cancelled after the close of the session. If the specified condition is met, the specified type of order is placed.

(vi) Standard Combination Order (“SCO”) — A Standard Combination Order is an order combining buy and sell orders in two different contract months with the same underlying commodity as a single order by specifying the spread price (meaning the price differential between the front and back contract months = front month price — back month price). Under the TOCOM System, SCOs are not only matched and executed with other SCOs but also with orders placed in the underlying contract months specified by the SCO, using the bait orders generated by the standard functions of CLICK for the specified underlying contract months.

(vii) Non-Standard Combination Order (“NSCO”) — A Non-Standard Combination Order is an order to execute the simultaneous purchase and/or sale of any given two different contract months in the same market (*e.g.*, oil market, precious metals market) as a single order by specifying the total price. The specified two contract months are executed simultaneously if they satisfy the total price.

EXHIBIT D-1(9)

Information that must be included on orders.

When an order is placed, one of these order types and one of the three order conditions, *i.e.*, Fill and Store (FaS), Fill and Kill (FaK) and Fill or Kill (FoK) must be indicated.

EXHIBIT D-1(10)

Trade confirmation and error trade procedures.

When the Trading Host accepts an order and the order is executed, the Trading Host notifies the Member to that effect and the transaction details are automatically input in the Trading Host.

The circuit breaker system provides a mechanism by which the session is temporarily halted for a certain time period (new, correction, and cancellation orders are accepted, but not executed during the halt) when orders are matched at a price outside the predetermined circuit breaker range and trading is resumed with an expanded circuit breaker range. The circuit breaker range can be automatically expanded within a trading day as many times as the number predetermined for each commodity.

See attached "Error Trade Policy."

Error Trade Policy

Tokyo Commodity Exchange Inc.

March 1, 2011

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Error Trade Policy

March 1, 2011
Tokyo Commodity Exchange Inc.

1. Purpose

As a matter of principle, TOCOM currently doesn't allow cancellation of executed trades in order to maintain an orderly market.

However, with the advancements and expansion of electronic trading, the Exchange is aware that there is now an increased risk of a trade being executed at an abnormal price following a possible operational or system failure of a market participant. If such a risk should materialize, it may significantly disrupt the market and thus damage the credibility of TOCOM.

For this reason, TOCOM is adopting a policy to be able to cancel executed trades resulting from erroneous orders to prevent a significant disruption of the TOCOM market.

2. Outline

Item	Contents	Remark	Related rules
(1) Basic concept	<ul style="list-style-type: none"> • As a matter of principle, cancellation of executed trades should not be allowed in order to maintain an orderly market. • However, executed trades resulting from erroneous orders placed by Trade Members, etc. (<i>i.e.</i>: Broker, Trade and Remote Trade Members) may be cancelled when the Exchange deems that such trades could significantly disrupt the market and damage to the credibility of the TOCOM market. 	<ul style="list-style-type: none"> • Adjustment of the execution price for these trades is not permitted. • When these trades are cancelled, the session is not halted. 	<ul style="list-style-type: none"> • Article 80-2 (Measures, etc., to be Taken for a Trade Executed from an Erroneous Order) of the Market Rules
(2) Scope of trades for which application for cancellation may be made	<ul style="list-style-type: none"> • In principal, orders executed at a price beyond twice the initial circuit breaker trigger level from the last executed price* <ul style="list-style-type: none"> * In the case where no such price is available, the settlement price of the previous clearing period <p>(Example) In the case of gold (CB trigger level: 100 yen) For example, when the last execution price is 3,600 yen, an application can be submitted for error trades executed at and above 3,801 yen and at or below 3,399 yen.</p>		<ul style="list-style-type: none"> • Article 80-2 (Measures, etc., to be Taken for a Trade Executed from an Erroneous Order) of the Market Rules
(3) Application and approval	<ul style="list-style-type: none"> • In the case where a trade is executed as a result of an erroneous order, a Trade 		<ul style="list-style-type: none"> • Article 80-2 (Measures, etc., to

Item	Contents	Remark	Related rules
procedures for Trade Cancellation	<p>Member, etc., may apply for cancellation of said trade to the Exchange within 5 minutes after said trade is executed.</p> <ul style="list-style-type: none"> • Upon receipt of the application for Trade Cancellation, the Exchange shall immediately notify to that effect the Trade Member, etc., who is the counterparty to the trade for which the application for Trade Cancellation was made. • When the Exchange has received an application for Trade Cancellation from Trade Members, etc., it shall determine whether to cancel the trade in consideration of the market conditions and other relevant factors within approximately 30 minutes from the time the application was received. • Upon completing such cancellation of a trade, the Exchange shall immediately notify the Trade Members, etc., who are subject to such cancellation of that fact. • Trade Members, etc., and customers may not, under no circumstances including the case where they incur a loss or damage due to Trade Cancellation by the Exchange, make an objection to the Exchange or claim compensation for damages to the Exchange, the Trade Member, etc., who placed an erroneous order, and the Broker Member to whom the trade is consigned; provided, however, that the same shall not apply if deliberate intention or negligence is found at the Exchange or the Trade Member, etc., who placed such an erroneous order. 		<p>be Taken for a Trade Executed from an Erroneous Order), Article 81 (Notification of Trade Cancellation), and Article 84 (Objection) of the Market Rules</p> <ul style="list-style-type: none"> • Article 76 (Effects, etc., of Trade Cancellation) of the Brokerage Rules
(4) Public posting of the application	<ul style="list-style-type: none"> • Upon making a decision to cancel any trade based on the application received from a Trade Member, etc., the Exchange shall notify all Trade Members, etc., who have membership qualification in the relevant market of such decision. 	<ul style="list-style-type: none"> • When the notification described in the left column is made, the Exchange shall post it in the website of the Exchange and notify media to make it widely known among Trade Members, etc. 	<ul style="list-style-type: none"> • Article 81 (Notification of Trade Cancellation) of the Market Rules
(5) Handling of secondary transactions	<ul style="list-style-type: none"> • With regard to consequential trades* arising from executed trades resulting from erroneous orders placed by Trade Members, etc., the consequential trades 		<ul style="list-style-type: none"> • Article 80-2 (Measures, etc., to be Taken for a Trade Executed

Item	Contents	Remark	Related rules
	<p>shall not, in principle, be cancelled as the effect of such cancellation on the TOCOM market would be highly significant.</p> <p>* Remaining part of spread transaction as a result of a Trade Cancellation or a trade executed from a stop order triggered by the execution price cancelled as a result of a Trade Cancellation, and others.</p>		<p>from an Erroneous Order) of the Market Rules</p>
(6) Fees for application and Trade Cancellation	<ul style="list-style-type: none"> Trade cancellation fees per executed trade shall be calculated as follows: The amount calculated as the initial circuit breaker ("CB") trigger level times the contract unit multiplier plus the amount equivalent to 100% of that amount(*) or 100,000 yen, whichever the higher. * Initial CB trigger level × Contract unit multiplier × 2 (minimum 100,000 yen) 	<p>(Example) Fees per executed trade</p> <p>Initial CB trigger level for gold: 100 yen $100 \times 1000 \times 2 = 200,000$ yen</p> <p>Initial CB trigger level for gold-mini: 100 yen $100 \times 100 \times 2 = 20,000$ yen → 100,000</p> <p>* CB trigger level may be changed</p>	<ul style="list-style-type: none"> Articles 4-2 and 7-2 of the Fees Detailed Rules
(7) Penalties	<ul style="list-style-type: none"> In the case where it is determined that the cancelled trade was initially executed as a result of a Trade Member, etc., committing any of the acts prescribed in Article 141 of the Market Rules as violation of the fair and equitable principles of transactions, such Trade Member, etc., may be subject to sanctions. 	<ul style="list-style-type: none"> Acts constituting a violation of fair and equitable principles of transactions include, for example, engaging in careless or negligent transactions or brokerage activities. 	<ul style="list-style-type: none"> Article 141 (Violation of the Fair and Equitable Principles of Transactions) of the Market Rules

EXHIBIT D-1(11)

Anonymity of participants.

Transactions on the TOCOM System are executed on an anonymous basis. The Exchange will not disclose information on orders placed through the TOCOM System unless such disclosure is required by applicable laws and regulations.

EXHIBIT D-1(12)

Trading system connectivity with clearing system.

Both TOCOM and Japan Commodity Clearing House Co. Ltd ("JCCH") have a role in the clearing of Listed Commodities. The clearing process starts with entry of trades into the NOMX SECUR clearing system at TOCOM. General clearing participants of JCCH ("Clearing Participants") must notify JCCH upon executing or cancelling a clearing agreement with a non-clearing participant.

Procedures by TOCOM

TOCOM confirms positions, calculates net profit/loss and required margin using the NOMX SECUR clearing system and other peripheral systems provided by NTTD. Results are reported to JCCH. The connectivity between JCCH and TOCOM is a LAN connection. The clearing period starts from the night session in the previous business day (JST 5:00 p.m.) until the end of the day session (JST 3:30 p.m.). Information on transactions executed on CLICK XT is automatically transferred to SECUR, which manages all information on executed transactions. The customer type indicator and the open/close indicator are designated when the order is placed, but each can be corrected within 30 minutes (or 15 minutes for options transactions) through an error correction process. A give-up process requires application to and approval from TOCOM in advance.²

TOCOM calculates settlement prices after the close of a day session and submits the information to JCCH. Positions of each Member are finalized after the close of a day session (at 3:30 p.m.) subject to a period of time for error correction (30 minutes for futures and 15 minutes for options). Subsequently, SECUR and the peripheral systems carry out the mark-to-market process (e.g., calculation of net profit/loss, transaction fees). The mark-to-market data is sorted by member and by market and transmitted to JCCH. SECUR and the peripheral systems also calculate margins separately. The margin data, sorted by member, commodity market, and customer type indicator, is transmitted to JCCH. Both mark-to-market and margin calculation processes by TOCOM are normally completed before the start of the night session.

² Notice of a give-up/take-up must be made within 30 minutes (or 15 minutes for options transaction) after the close of a session. Back-dated give-up is available throughout three business days from the date of the transaction. For give-ups, it is possible to specify the party to which the transaction is to be transferred when the order is placed. The process of give-up notification is initiated by an executing broker when the broker identifies the contract on the screen and is completed when the clearing broker approves the give-up. If the transaction is not taken up within the predetermined time period, the transaction remains with the executing broker.

EXHIBIT D-1(13)

Response time.

The typical response time for participants on the TOCOM System is approximately 10 milliseconds as measured from the TOCOM network gateway.

EXHIBIT D-1(14)

Ability to determine depth of market.

TOCOM distributes market data (prices/indicative price quotations) on a real-time basis to its members and their customers through the TOCOM System to third-party information vendors, such as Bloomberg and Reuters, that have executed an agreement with TOCOM. Such real-time market data includes the 10 best bid and offer (price information and order quantity) and the daily open/high/low/current prices.

TOCOM also displays on its website the open/high/low/current prices for each day and night session that are updated at fixed intervals. The historical data (tick data) for the past five days can be downloaded for free through the TOCOM website. Additional historical data is available for a fee.

EXHIBIT D-1(15)

Market continuity provisions.

TOCOM is committed to employing all appropriate measures for anticipating and controlling any crisis situation that may arise. Accordingly, the Exchange has adopted and implemented a coordinated strategy for restoring the critical functions of its systems, operations and data in the event of a disaster or other occurrence causing a material failure or degradation of the performance of TOCOM's technological infrastructure. As part of such failure recovery measures, TOCOM records backup copies on magnetic tapes of transaction information, operating information, and the System environment on a daily basis, which it stores in two separate locations – the TOCOM data center and TOCOM's office.

TOCOM disaster policies prescribe support lines for the TOCOM System and the handling procedure for potential operational problems, as well as the division of responsibilities of the persons in charge of various business activities and communication channels. These handling policies describe the division of responsibilities in a three-tier structure. In the first tier, TOCOM is responsible for the initial response through its service desk. When a failure or problem occurs, TOCOM will engage in operational responses and manage the status of the failure or other problem until it is resolved. In the second tier, NTTD is responsible for handling the failure/problem. NTTD monitors the operation status of the System and if any failure or problem occurs, will report it to TOCOM. NTTD, together with NOMX, will then analyze the cause of the failure or other problem and implement a solution, subject to TOCOM's approval. In the third tier, NOMX is ultimately responsible for handling the issue and providing technical support to analyze the cause of the problem with regard to the operation of the CLICK and SECUR software products, the implementation of countermeasures, and the confirmation of the remediation status. NOMX has several product technicians at its Tokyo office and has been reinforcing its support for problem solving team in coordination with NTTD and NOMX in Sweden.

TOCOM has established a business continuity plan (the "BCP") prescribing the recovery procedure to be followed by the Exchange in the event of an earthquake or other large-scale disaster. The procedure prescribed in the BCP is designed to allow TOCOM to resume operations within a reasonable time period. The BCP is reviewed and revised on an ongoing basis. TOCOM also conducts regular emergency drills in order to verify recovery procedures and evaluate the effectiveness of the BCP.

TOCOM continues to explore alternatives for a backup center. Senior management is currently in discussions with another major exchange in Japan about development of its next generation trading platform. The discussions specifically relate to an agreement to adopt a version of the same trading platform. If this agreement is concluded, it is expected that the two exchanges would use the same remote back-up facility. Decisions about the trading platform and related back-up facility will be reached before year end. Once operational, the backup center will: (i) receive execution data from Primary Center on real time; (ii) store the received execution data (once in a day); and (iii) monitor the operation of backup center.

EXHIBIT D-1(16)

Reporting and recordkeeping requirements.

Members are required to record and report, as appropriate, information relating to all orders and trades. Order forms must be retained for seven years and other statutory books for ten years. In addition, members must report, for all orders and transactions, the participant code, transaction number, volume, price and time, regardless of whether the order or transaction is for a proprietary or customer account.

JCCH business rules require that, when conducting transactions in Listed Commodities or listed commodity indexes in a designated commodity market, a Clearing Participant must report all trades executed through TOCOM, broken down by new sells, new buys, offsetting buys and offsetting sells, together with the volumes.

EXHIBIT D-2(1)

Algorithm. The trade matching algorithm matches trades fairly and timely.

Under the TOCOM System, orders are matched and executed through the *Itaawase-Zaraba* method (“Continuous Trading with Opening Auction”). At the opening of the Day Session (9:00 a.m.) and the Night Session (5:00 p.m.), trading for all contract months (all series) starts simultaneously.

If there are matching orders and LOs at the time of Opening Auction, the execution price is determined in the following order: (i) the price that maximizes the execution volume provided that there is an LO at that price; (ii) if there are multiple prices that maximize the execution volume, one of these prices that minimizes the volume of unexecuted orders; (iii) if there are multiple prices that minimize the volume of unexecuted orders, one of these prices that does not make the LO with better price left unexecuted; and (iv) if there are multiple prices that satisfy the conditions specified in (iii), one of these prices that is closest to the reference price.³ If the matching orders are MOs only, there will be no execution price and the MOs will be cancelled.

In the Continuous Trading session, orders newly placed or converted from an SO are immediately executed if there are matching orders on the other side. The allocation of orders at the time of execution follows the principle of price and time priority: (i) a priority is first determined based on a price separately for sell orders and buy orders (price priority), and (ii) among the orders with the same price, the priority is given to the order that was accepted earlier at the TOCOM System (time priority). The time priority for an SO is judged based on the time when the condition is met and the specified order is received at the TOCOM System. For other types of orders, the time priority is judged based on the time when they are received by the TOCOM System.

³ The reference price is the price used in the price determination process at the Opening Auction and is set either at the settlement price of the previous clearing period at the start of the Night Session or at the last price of the Night Session at the start of the Day Session.

EXHIBIT D-2(2)

IOSCO Principles. The trading system complies with the Principles for the Oversight of Screen-Based Trading Systems for Derivative Products developed by the Technical Committee of the International Organization of Securities Commissions (IOSCO Principles). Provide a copy of any independent certification received or self-certification performed and identify any system deficiencies with respect to the IOSCO Principles.

The TOCOM Trading System complies in material respects with the Principles for the Oversight of Screen-Based Trading Systems for Derivative Products.

EXHIBIT D-2(3)

Audit Trail.

(i) The audit trail timely captures all relevant data, including changes to orders.

The TOCOM System captures a broad range of information for every transaction. This includes the specific contract; the unique participant code for the Member; identification numbers for the buy and sell orders; the price and number of contracts traded; the notional value of the transaction; the transaction type (*i.e.*, whether a buy or a sell); the date and time to the nearest second of each order and trade; and the identification code for each Broker Member.

Members are required to record and report, as appropriate, information relating to all orders and trades. Order Forms must be retained for seven years and other statutory books for ten years. In addition, Members must report, for all orders and transactions, the participant code, transaction ID number, volume, price and time, regardless of whether the order or transaction is for a proprietary or customer account.

(ii) Audit trail data is securely maintained and available for an adequate time period.

All audit trail data is maintained permanently by TOCOM. TOCOM records backup copies of the audit trail on magnetic tapes on a daily basis. Copies of the audit trail are maintained securely in the TOCOM data center and TOCOM's offices.

EXHIBIT D-2(4)

Public Data. Adequate and appropriate trade data is available to users and the public.

TOCOM makes delayed trade data available to the public for no fee on TOCOM's website at <http://www.tocom.or.jp/souba/index.html> or <http://www.tocom.or.jp/historical/index.html>

See also Exhibit D1(14), p. 65.

EXHIBIT D-2(5)

Reliability. The trading system has demonstrated reliability.

Reliability of the Trading Host generally depends on the quality of the hardware and the NOMX software products. Based on their experience at the several exchanges on which the NOMX system is operating, NOMX and TOCOM have agreed on various service levels to ensure the maximum reliability within the required service level.

The Trading Host consists of two servers, one for general use and the other reserved for an emergency. If hardware or software problems occur with respect to the former, the functions of the Trading Host will be switched automatically to the latter, thereby allowing Members to continue trading even in the event of a system failure.

The service level is defined in terms of, *inter alia*, the number of order messages that can be received by the Trading Host per second, the speed of order response measured by the time elapsed from the time of order acceptance before the system is able to send notification (performance), the maximum number of orders that can be accepted and executed per day (capacity), and the capability to control the logon status through API (access control). The TOCOM System is able to monitor the status of these service levels on a daily basis and allow for any operational adjustments necessary to respond to future changes in system requirements. The TOCOM System is operated in a manner to maintain the required service level.

The specific service levels to which NOMX and TOCOM have agreed follow.

Order transactions per day = 1.5 million

Number of executions per day = 1 million

Maximum number of order transactions per second = 3,000

Response time (daily average) = 10 millisecond

Maximum number of concurrent login user = 1,200 (from members' and others' systems to the TOCOM system)

EXHIBIT D-2(6)

Secure Access. Access to the trading system is secure and protected.

As noted in Exhibit D-1(3) (p. 57, above), the Trading Host incorporates a security system to handle authentication and information storage and ensures the security system's reliability by using the functions embedded in API that are not accessible externally.

Communication with the Trading Host is limited to authorized Members. In accessing the Trading Host, a Member is required to log in to the security system by using its participant code, user ID and a password granted by TOCOM. Where a Member has approved a customer's DMA connection with the Trading Host, upon receipt of an application from such Member, TOCOM will provide an additional participant code and user ID so that the Member can permit the customer to place orders directly with the Trading Host. At the same time, the Member will be able to perform the necessary risk management by monitoring the placement and execution of such customer's orders.

Each Member is required to appoint a "System Administrator" to manage the information required to access the Trading Host and an "Operation Manager" responsible for the management of trading operations. The System Administrator applies to TOCOM to obtain system information required for access to the Trading Host and is responsible for the management of the information provided by TOCOM after its examination and approval.

EXHIBIT D-2(7)

Emergency Provisions. There are adequate provisions for emergency operations and disaster recovery.

As noted in Exhibit D-1(15) (p. 74, above), TOCOM is committed to employing all appropriate measures for anticipating and controlling any crisis situation that may arise. Accordingly, the Exchange has adopted and implemented a coordinated strategy for restoring the critical functions of its systems, operations and data in the event of a disaster or other occurrence causing a material failure or degradation of the performance of TOCOM's technological infrastructure. As part of such failure recovery measures, TOCOM records back up copies on magnetic tapes of transaction information, operating information, and the System environment on a daily basis, which it stores in two separate locations – the TOCOM data center and TOCOM's office. These locations are approximately eight (8) kilometers apart.

TOCOM disaster policies prescribe support lines for the TOCOM System and the handling procedure for potential operational problems, as well as the division of responsibilities of the persons in charge of various business activities and communication channels. These handling policies describe the division of responsibilities in a three-tier structure. In the first tier, TOCOM is responsible for the initial response through its service desk. When a failure or problem occurs, TOCOM will engage in operational responses and manage the status of the failure or other problem until it is resolved. In the second tier, NTTD is responsible for handling the failure/problem. NTTD monitors the operation status of the System and if any failure or problem occurs, will report it to TOCOM. NTTD, together with NOMX, will then analyze the cause of the failure or other problem and implement a solution, subject to TOCOM's approval. In the third tier, NOMX is ultimately responsible for handling the issue and providing technical support to analyze the cause of the problem with regard to the operation of the CLICK and SECUR software products, the implementation of countermeasures, and the confirmation of the remediation status. NOMX has several product technicians at its Tokyo office and has been reinforcing its support for problem solving team in coordination with NTTD and NOMX in Sweden.

TOCOM has established a BCP prescribing the recovery procedure to be followed by the Exchange in the event of an earthquake or other large-scale disaster. The procedure prescribed in the BCP is designed to allow TOCOM to resume operations within a reasonable time period. The BCP is reviewed and revised on an ongoing basis. TOCOM also conducts regular emergency drills in order to verify recovery procedures and evaluate the effectiveness of the BCP.

TOCOM continues to explore alternatives for a backup center. Senior management is currently in discussions with another major exchange in Japan about development of its next generation trading platform. The discussions specifically relate to an agreement to adopt a version of the same trading platform. If this agreement is concluded, it is expected that the two exchanges would use the same remote back-up facility. Decisions about the trading platform and related back-up facility will be reached before year end. Once operational, the backup center will: (i) receive execution data from Primary Center on real time; (ii) store the received execution data (once in a day); and (iii) monitor the operation of backup center.

EXHIBIT D-2(8)

Data Loss Prevention. Trading data is backed up to prevent loss of data.

As noted in Exhibit D-1(15) (Market Continuity Provisions) (p. 74, above) and D-2(7) (Emergency Provisions) (p. 82, above), TOCOM records backup copies on magnetic tape of transaction information, operating information, and the System environment on a daily basis, which it stores in two separate locations – the TOCOM data center and TOCOM's office. These locations are approximately eight (8) kilometers apart.

EXHIBIT D-2(9)

Contracts Available. Mechanisms are available to ensure that only those futures, option or swap contracts that have been identified to the Commission as part of the application or permitted to be made available for trading by direct access pursuant to the procedures set forth in § 48.10 are made available for trading by direct access.

The TOCOM System will permit Members and other market participants in the United States for only those products that have been approved as part of this application or through the process set forth in Commodity Futures Trading Commission Rule 48.10.

EXHIBIT D-2(10)

Predominance of the Centralized Market. Mechanisms are available that ensure a competitive, open, and efficient market and mechanism for executing transactions.

As described earlier in Exhibit D-2(1) (p. 76, above), the market structure of the TOCOM System allows for a competitive, open, and efficient market and mechanism for executing transactions.

**EXHIBIT E – THE TERMS AND CONDITIONS OF CONTRACTS PROPOSED TO BE
MADE AVAILABLE IN THE UNITED STATES**

EXHIBIT E-1

A description of the terms and conditions of futures, option or swap contracts intended to be made available for direct access. With respect to each contract, indicate whether the contract is regulated or otherwise treated as a futures, option or swap contract in the regulatory regime(s) of the foreign board of trade's home country.

TOCOM initially proposes to make the following futures and options contracts available for trading through the System:

- Gold Standard (1kg) (Futures)
- Gold Mini (100g) (Futures)
- Gold Options (Call) (Options)
- Gold Options (Put) (Options)
- Silver (Futures)
- Platinum Standard (500g) (Futures)
- Platinum Mini (100g) (Futures)
- Palladium (Futures)
- Gasoline (Futures)
- Kerosene (Futures)
- Gas Oil (Futures)
- Crude Oil (Futures)
- Chukyo Gasoline (Futures)
- Chukyo Kerosene (Futures)
- Rubber (Futures)
- Soybean
- Corn
- Azuki (Red Bean)
- Raw Sugar

With the exception of the (i) Gold Mini; (ii) Gold Options; (iii) Platinum Mini; and (iv) Crude Oil contracts, TOCOM contracts are settled by physical delivery. To the extent contracts are settled in cash, all of these contracts are settled in Japanese yen, payable at Japanese banks. None of these contracts has any nexus whatsoever to the United States.

The specifications for each of the above contracts are found at:

<http://www.tocom.or.jp/guide/index.html>

EXHIBIT E-2

Demonstrate that the contracts are not prohibited from being traded by United States persons, *i.e.*, the contracts are not prohibited security futures or single stock contracts or narrow-based index contracts. For non-narrow based stock index futures contracts, demonstrate that the contracts have received Commission certification pursuant to the procedures set forth in § 30.13 and Appendix D to part 30 of this chapter.

All of the futures and options contracts proposed by TOCOM for trading in the United States are based on commodities and not single stocks or stock indexes.

EXHIBIT E-3

Demonstrate that the contracts are required to be cleared.

All of the contracts available for trading on TOCOM are required to be cleared by JCCH. JCCH was established in 2005 to conduct centralized clearing for transactions executed on commodity exchanges in Japan.

EXHIBIT E-4

Identify any contracts that are linked to a contract listed for trading on a United States-registered entity, as defined in section 1a(40) of the Act. A linked contract is a contract that settles against any price (including the daily or final settlement price) of one or more contracts listed for trading on such registered entity.

None of the contracts proposed by TOCOM for trading in the United States has any links to contracts listed for trading on a United States registered entity.

EXHIBIT E-5

Identify any contracts that have any other relationship with a contract listed for trading on a registered entity, *i.e.*, both the foreign board of trade's and the registered entity's contract settle to the price of the same third party-constructed index.

Not applicable.

EXHIBIT E-6

Demonstrate that the contracts are not readily susceptible to manipulation. In addition, for each contract to be listed, describe each investigation, action, proceeding or case involving manipulation and involving such contract in the three years preceding the application date, whether initiated by the foreign board of trade, a regulatory or self-regulatory authority or agency or other government or prosecutorial agency. For each such action, proceeding or case, describe the alleged manipulative activity and the current status or resolution thereof.

Under Article 80, Paragraph 1 of the CDA, the appropriate Regulating Authority must approve all contracts before they may be listed for trading on TOCOM. Prior to approving any contract, the appropriate Regulating Authority examines the product design of contracts for the susceptibility of manipulation.

In this regard, TOCOM must demonstrate to the satisfaction of the Regulating Authority that the contract will be liquid and attractive to commercial users. Under the terms of the CDA, a contract would meet this goal if the market has at least 20 participants, the majority of which have been engaged in the purchase or sale of the underlying commodity on a continuous basis for at least one year. To demonstrate compliance with these requirements, TOCOM is required to provide a considerable amount of information regarding the contract and the market for the underlying commodity. For example, TOCOM must (i) provide a detailed description the underlying cash market and its participants, (ii) demonstrate that there is sufficient deliverable supply of the underlying commodity, (iii) demonstrate that the terms and conditions of the contract conform to the most common practices of the cash market, and (iv) demonstrate that the minimum price increment is consistent with the minimum price increment in the cash market. In addition, all contracts are subject to position limits.

Below are summaries of the investigations and actions taken by TOCOM over the past three years:

1. Sanctions (2 cases)

(1) Company A

(i) Event

Immediately before the order matching at the opening of a day session of the Rubber Market, the company cancelled proprietary orders it had placed. As a result, the price that would maximize the execution volume in the order matching significantly changed from the one in effect before such cancellation.

Date of Incident: from January 6, 2011 to February 7, 2011

(ii) Fact-finding results

The dealer who actually executed said transactions stated that he canceled the orders because the market changed in a direction that that was different from his expectation. However, we later found that he had engaged in similar cancellations from time to time in the past.

(iii) Response

We determined that said act of the company would impair the credibility of the market of the Exchange and fell under the provisions of Article 141 of the Market Rules. Consequently, we imposed a fine of 1 million yen pursuant to the provisions of Article 30(1)(viii) and (ix) of the Market Rules and required the company to make a report on the status of remediation measures to prevent the recurrence of such transactions pursuant to paragraph (2) of the same article.

Date of Final Resolution: May 17, 2011

(iv) Remediation status

Remediation measures have been taken.

(2) Company B

(i) Event

Immediately before the order matching at the opening of a day session of the Gold Market, the company canceled proprietary orders it had placed. As a result, the price that would maximize the execution volume in the order matching significantly changed from the one in effect before such cancellation.

Dates of Incident: January 4, 2012 – July 23, 2012

(ii) Fact-finding results

The dealer who actually executed said transactions stated that he canceled the orders because the market changed in a direction that that was different from his expectation. However, we later found that he had engaged in similar cancellations for many times in the past.

(iii) Response

We determined that said act of the company would impair the credibility of the market of the Exchange and fell under the provisions of Article 141 of the Market Rules. Consequently, we imposed a fine of 19 million yen and suspended the company from trading for its proprietary account for 15 business days pursuant to the provisions of Article 130(1)(viii) of the Market Rules. We also ordered the company to make sure that its executives and employees comply with the law and TOCOM's rules, and to take measures to prevent the same will occur again by improving and enhancing its trade management system, pursuant to paragraph (2) of Article 130(1)(viii) of the Market Rules.

Date of Final Resolution: March 28, 2013

(iv) Remediation status

Remediation measures have been taken.

2. Recommendations (5 cases)

(1) Company B

(i) Event

In a gasoline transaction, an order placed by a customer of Company B (Broker Member) through an ISV vendor was processed as a transaction of Company 1 (another Broker Member) rather than Company B.

Date of Incident: April 22, 2009

(ii) Fact-finding results

When the account of the customer was opened, the ISV vendor registered an erroneous name (Company 1) instead of the correct name (Company B). (The contents of the registration were not confirmed by the customer and Company B. In fact, the system did not provide them with the opportunity to confirm the contents of such registration.)

(iii) Response

The error was actually caused by erroneous registration by the ISV vendor. However, Company B is obligated to place customer orders accurately and appropriately and could have prevented such an error by properly performing confirmation of the contents of registration.

Since this error affected the customer as well as other members, the Exchange issued a recommendation to the company pursuant to the provisions of Article 142 of the Market Rules that it should establish a system for ensuring proper execution of customer orders and required the company to make a report on the status of remediation measures taken in response to the recommendation pursuant to paragraph (2) of the same article.

Date of Final Resolution: June 9, 2009

(iv) Remediation status

Remediation measures have been taken.

(2) Company C

(i) Event

On the last trading day, the outstanding positions of the company in certain gasoline and kerosene transactions at the close of the session were not in whole numbers of delivery units, which gave rise to fractions.

Date of Incident: May 25, 2009

(ii) Fact-finding results

We were told by the company that it was not able to agree with the customer with regard to the status of the positions by the close of the session and, as a result, the outstanding positions at the close of the session were not in whole numbers of delivery units.

(iii) Response

Since said fractional positions were caused by inadequate customer order management by the company, the Exchange issued a recommendation to the company pursuant to the provisions of Article 142 of the Market Rules that it should establish a

system for ensuring proper management of customer orders on the last trading day and required the company to make a report on the status of remediation measures taken in response to the recommendation pursuant to paragraph (2) of the same article.

Date of Final Resolution: June 22, 2009

(iv) Remediation status

Remediation measures have been taken.

(3) Company D

(i) Event

Immediately before the close of the session on the last trading day, an order for a kerosene transaction placed by the company was executed against an order placed by another company. As a result of this transaction, the position of the customer of the company who placed the order was in a whole number of delivery units, while the position of the other company (the counterparty) was not in a whole number of delivery units, which gave rise to a fraction.

Date of Incident: May 25, 2009

(ii) Fact-finding results

The explanation provided by the company was as follows: The position of the customer of the company initially was in a whole number of delivery units. However, immediately before the close of the session, an order that should have been cancelled was not cancelled and executed, which resulted in a fraction. The company eliminated the fraction by placing another order.

(iii) Response

Since said fractional position was caused by inadequate customer order management by the company, the Exchange issued a recommendation to the company pursuant to the provisions of Article 142 of the Market Rules that it should establish a system for ensuring proper management of customer orders on the last trading day and required the company to make a report on the status of remediation measures taken in response to the recommendation pursuant to paragraph (2) of the same article.

Date of Final Resolution: June 22, 2009

(iv) Remediation status

Remediation measures have been taken.

(4) Company E

(i) Event

Immediately before the close of the session on the last trading day, an order placed by the company for a kerosene transaction was executed, but the outstanding position of the company was not in a whole number of delivery units, which gave rise to a fraction.

Date of Incident: February 25, 2011

(ii) Fact-finding results

The explanation provided by the company was as follows — the position should have been in a whole number of delivery units, but the trader placed an erroneous order and the order was executed. As a result, a position not in a whole number of delivery units was created, giving rise to a fraction.

(iii) Response

Since said fractional position was caused by inadequate order management by the company, the Exchange issued a recommendation to the company pursuant to the provisions of Article 142 of the Market Rules that it should establish a system for ensuring proper management of transactions and required the company to make a report on the status of remediation measures taken in response to the recommendation pursuant to paragraph (2) of the same article.

Date of Final Resolution: March 22, 2011

(iv) Remediation status

Remediation measures have been taken.

(5) Company F

Platinum transactions

(i) Event

During the order acceptance period of the day session of the last trading day for platinum transactions, Company F repeatedly placed orders and cancelled them. As a result, the price that would maximize the execution volume declined. The order matching at the opening of the session was carried out at that price and buy orders of the company were executed for 21 contracts.

Date of Incident: February 23, 2011

(ii) Fact-finding results

We were told by the company that said orders were repeatedly placed and cancelled by the same dealer and he cancelled orders he had placed in response to changes in the market conditions and quotations. The Exchange also requested the company to submit a report on past transactions. However, we were unable to examine the details of past transactions as the company could not extract historical records of past transactions.

Date of Final Resolution: July 11, 2011

Rubber transactions

(i) Event

During the order acceptance period of the day session of the last trading day for rubber transactions, Company F placed orders and cancelled them. As a result, the price that would maximize the execution volume changed.

Date of Incident: April 20, 2011

(ii) Fact-finding results

We were told by the company that said orders were placed and cancelled by the same dealer and he cancelled orders he had placed as the market moved in a direction that was different from his expectation. He was not aware of the price change described in (i) above as he was trading in multiple markets. The Exchange also requested the company submit a report on past transactions. However, we were unable to examine the details of past transactions as the company could not extract historical records of past transactions.

(iii) Response

Since the practice of the company described above would potentially impair the credibility of the market of the Exchange and the fact that the company was unable to extract historical records of past transactions indicated that the management of transactions was inadequate, the Exchange issued a recommendation to the company pursuant to the provisions of Article 142(1) of the Market Rules that it should improve its system for ensuring proper management of transactions and required the company to make a report on the status of remediation measures taken in response to the recommendation pursuant to paragraph (2) of the same article.

Date of Final Resolution: July 11, 2011

(iv) Remediation status

Remediation measures have been taken.

**EXHIBIT F – THE REGULATORY REGIME GOVERNING THE FOREIGN BOARD
OF TRADE IN ITS HOME COUNTRY⁴ OR COUNTRIES**

⁴ Where multiple foreign boards of trade subject to the same regulatory regime/authority and are similarly regulated are applying for registration at the same time, a single Exhibit E-1 may be submitted as part of the application for all such foreign boards of trade either by one of the applicant foreign boards of trade or by the regulatory regime/authority with responsibility to oversee each of the multiple foreign boards of trade applying for registration. Where an FBOT applying for registration is located in the same jurisdiction and subject to the same regulatory regime as a registered FBOT, the FBOT applying for registration may include by reference, as part of its application, information about the regulatory regime that is posted on the Commission's website. The FBOT applying for registration must certify that the information thus included in the application is directly applicable to it and remains current and valid.

EXHIBIT F(1)

The following (including, where appropriate, an indication as to whether the applicable regulatory regime is dependent on the home country's classification of the product being traded on the foreign board of trade as a future, option, swap, or otherwise, and a description of any difference between the applicable regulatory regime for each product classification type):

A description of the regulatory regime/authority's structure, resources, staff, and scope of authority; the regulatory regime/authority's authorizing statutes, including the source of its authority to supervise the foreign board of trade; the rules and policy statements issued by the regulator with respect to the authorization and continuing oversight of markets, electronic trading systems, and clearing organizations; and the financial protections afforded customer funds.

The source of Regulating Authorities' authority to supervise TOCOM comes from the CDA. Article 354 of the CDA allocates responsibility for various products between METI and MAFF. METI has jurisdiction over derivative products involving precious metals, base metals, rubber and energy related-products. MAFF has jurisdiction over derivatives products involving agricultural products.

METI was established in 2001 by reorganizing the function of the Ministry of International Trade and Industry. The Minister of Economy, Trade and Industry, the head of METI, is appointed by the Prime Minister as a member of the cabinet. In METI, the Commerce and Consumer Affairs Policy Division and the Commerce Supervisory Division are responsible for policy initiatives related to the CDA and enforcement of the CDA. The Commerce and Consumer Affairs Policy Division has a staff of 16 and the Commerce Supervisory Division has a staff of 49.

The CDA sets forth requirements for the establishment, approval and oversight of (i) futures and options exchanges (including the Self-Regulatory Committee to determine matters concerning self-regulatory related services); (ii) clearing houses; (iii) brokers; (iv) the CDA, a self-regulatory membership association of brokers; and (v) national futures protection fund. The CDA also contains provisions regarding governance of the Exchange's operations, membership and transactions.

When Regulating Authorities find it necessary for the enforcement of the CDA, it may order TOCOM, its subsidiary company or a member thereof to submit a report or provide information about such entity's business or have its officials conduct an on-site inspection of the books, documents and other articles related to such business. Further, when Regulating Authorities find it necessary and appropriate to ensure the fair and equitable principles of trading or to protect customers, it may order TOCOM to amend its Articles or TOCOM Rules, change its business methods or take any other necessary measures for improving the operation of Exchange business.

Regulating Authorities may implement precautionary measures under Article 118 of the CDA in order to protect the public interest or maintain order in the commodity markets. When an excessive volume of transactions is carried out or is likely to be carried out through certain

abusive trading practices (e.g., those likely to result in excessive concentration), or contracts are formed or are likely to be formed with inadequate consideration or unfair contract prices, Regulating Authorities may take any of the following actions with respect to the named parties: (i) impose restrictions on members with regard to transactions or accepting consignment of transactions; (ii) with respect to TOCOM, take measures to limit fluctuation in quotations or the volume of transactions where settlement has not been completed, or change the amount of clearing margins required; (iii) with respect to JCCH, change the amount of clearing margins required; or (iv) with respect to either TOCOM or JCCH, take other actions specified in a Regulating Authorities' ordinance as matters for securing the fairness of market transactions.

TOCOM Broker Members must calculate, account for and segregate on a daily basis the funds attributable to each customer. Broker Members are also obligated, under TOCOM Brokerage Rules, to notify each customer in writing on a regular basis (at least monthly), and at any time upon the request of a customer, of the balance of the customer's margin deposit, required amount of clearing margin, details of outstanding positions and any margin deposit excess (about which the Broker Member must request instructions from the customer regarding the refund).

The Brokerage Rules require a Broker Member, upon the execution of a customer transaction, to provide the customer with written notification about the order and the transaction contract, including type, date and time, quantity, price, total trading value, marked-to-market profit or loss, profit or loss by transaction, net profit and loss, outstanding balance of margin deposit and the brokerage commission. Further, Broker Members must notify customers when any customer order was not executed. There are separate notification requirements for transactions settled by delivery.

If a customer, upon the receipt of any notice described in the preceding two paragraphs, files a complaint with the Broker Member, the Broker Member must immediately issue a written response to the customer.

Broker Members are required to compute the ratio of the amount of net assets to the amount covering any potential risks arising from commodity derivative transactions associated with the fluctuation of quotations among other factors (the "Net Assets Regulation Ratio"). Each Broker must ensure that its Net Assets Regulation Ratio does not fall below 120 percent and must report such ratio to Regulating Authorities at the end of every month. Further, each Broker must create a report stating its Net Assets Regulation Ratio as of the end of every quarter, keep copies of such report at all of its sales and business offices, and make each such report available for public inspection for a specified period.

There is no formal document that describes how the two Regulating Authorities share responsibility for ongoing oversight and supervision. However, regulatory supervision and oversight is jointly conducted, and all information is shared between METI and MAFF. METI and MAFF consult before conducting a review of TOCOM to agree on areas on which METI and MAFF will focus.

EXHIBIT F(2)

A description of and, where applicable, copies of the laws, rules, regulations and policies applicable to:⁵

(i) The authorization, licensure or registration of the foreign board of trade.

In Japan, a commodity exchange seeking to establish markets for carrying out futures transactions in commodities and commodity indices may be organized as either a membership organization (a “Member Commodity Exchange” governed by Chapter 2, Section 2 of the CDA) or an incorporated entity (an “Incorporated Commodity Exchange” governed by Chapter 2, Section 3 of the CDA). TOCOM originally submitted an application in accordance with Article 14 of CDA as a Member Commodity Exchange, and obtained an approval from Regulation Authorities by demonstrating that it was in compliance with the criteria set forth in Article 15 of CDA. In converting to an Incorporated Commodity Exchange in December 2008, TOCOM submitted an application in accordance with Article 132 of the CDA, and obtained an approval from Regulating Authorities by demonstrating that it was in compliance with the criteria set forth in Article 133 of CDA. Information submitted by TOCOM included its amount of stated capital, the Listed Commodities that it intended to list for trading and the names of its officers and trading participants. Documents required to be submitted included the Articles and TOCOM Rules.

Please note that for our responses in Exhibit F(2), a copy of the CDA is provided in a binder along with this application.

(ii) The regulatory regime/authority’s program for the ongoing supervision and oversight of the foreign board of trade and the enforcement of its trading rules.

As set forth in Article 80 of the CDA, TOCOM was required to satisfy Regulating Authorities that (i) the Articles and TOCOM Rules did not violate applicable laws; (ii) the method or management of transactions, qualification of trading participants, matters concerning deposit or collateral and other matters prescribed in the Articles and TOCOM Rules were appropriate and sufficient for ensuring the fairness of transactions on the commodity market and for protecting customers; (iii) TOCOM’s personnel had the expertise necessary to appropriately manage the commodity market; (iv) the Exchange’s organization and governance structure conformed to applicable law (including the requirement that TOCOM have a board of directors, a board of corporate auditors or audit committee and an accounting auditor); (v) at least 20 trading participants intended to carry out transactions on the commodity markets pertaining to Listed Commodities or listed commodity indexes; (vi) the majority of such trading participants had engaged commercially in the buying and selling of products underlying a Listed Commodity or listed commodity index on the commodity markets for a year or more on a continuous basis; and (vii) that a sufficient volume of transactions was expected for carrying out transactions fairly and

⁵ To the extent that any such laws, rules, regulations or policies were provided as part of Exhibit A-5, they need not be duplicated. They may be cross-referenced.

smoothly.⁶ The Articles and TOCOM Rules (other than minor changes to such rules) may not be revised or amended without the approval of Regulating Authorities.

The CDA also regulates major shareholders of licensed entities and provides criteria for admission of trading participants, trading qualifications and transactions on a commodity market. The CDA requires that TOCOM's Articles include, *inter alia*, matters concerning audits of and sanctions against trading participants and matters concerning the commodity markets. It further requires TOCOM to establish the Market Rules which must address the following subjects: (i) matters concerning trading participants; (ii) matters concerning guarantee funds; (iii) matters concerning clearing margins; (iv) goods that are commodities, commodity indices or options subject to transactions on the commodity market; (v) the type of transaction for each Listed Commodity or listed commodity index; (vi) period of a transaction; (vii) start and end of a transaction; (viii) suspension of a transaction; (ix) matters concerning conclusion of transaction contracts and restraint thereof; (x) delivery and other settlement methods; and (xi) other necessary matters concerning transactions.

The CDA also provides for Regulating Authorities' oversight of the Exchange. Pursuant to Article 112 of CDA, TOCOM must provide to Regulating Authorities the following: (i) a daily report with daily exchange volume, the exchange's audit trail data, and large trader position data; and (ii) a monthly report with exchange volume and the delivery obligations by member. Regulating Authorities analyze this data for the purpose of market surveillance. METI and MAFF also require TOCOM to submit monthly reports on the status of market monitoring activities on unfair trades (status of SMARTS alert generation), based on Article 157 Paragraph 1 of CDA.

Based on these reports and other information, METI and MAFF conduct oversight of TOCOM. For example, if unusual trading activities happens, METI and MAFF request the exchange and/or market participants to explain their trading activities. METI and MAFF do not have any specific period to reviewing of TOCOM, but METI and MAFF conduct supervision and oversight of TOCOM for daily basis.

When Regulating Authorities find it necessary for the enforcement of the CDA, Regulating Authorities have the authority to order TOCOM, any TOCOM subsidiary or a Member of the Exchange to submit reports or materials to the regulator that provide information about such entity's business or to inspect records at such entity's offices.

(iii) The financial resource requirements applicable to the authorization, licensure or registration of the foreign board of trade and the continued operations thereof.

A cabinet order issued pursuant to CDA Article 80(1)(i) sets the minimum capital ("stated capital") for an incorporated commodity exchange as 1 billion Japanese yen, or approximately US\$9,834,775 as of May 9, 2014. TOCOM's capital totaled approximately 1.99 billion Japanese yen, or approximately US\$19,571,203 as of May 9, 2014. The Exchange must secure Regulating Authorities' consent in order to decrease its amount of stated capital, and must notify Regulating

⁶ The criteria set forth in Article 80 of the CDA include criteria set forth in both Article 15 and Article 133 of the CDA.

Authorities in the event it intends to increase its stated capital. TOCOM is required to publish its annual audited financial statements.

(iv) The extent to which the IOSCO Principles are used or applied by the regulatory regime/authority, in its supervision and oversight of the foreign board of trade or are incorporated into its rules and regulations and the extent to which the regulatory regime/authority reviews the applicable trading systems for compliance therewith.

Regulating Authorities have established its commitment to the IOSCO Principles that relate to cross-border trading and international cooperation among regulators. Regulating Authorities are signatories to the IOSCO Multilateral Memorandum of Understanding Concerning Consultation and Cooperation and the Exchange of Information (the "MMOU"), which promotes mutual cooperation and consultation among IOSCO members (including both the Commission and Regulating Authorities) to ensure compliance with, and enforcement of, their securities and derivatives laws and regulations. In addition, the Commission and Regulating Authorities entered into a Statement of Intent on Consultation, Cooperation and Exchange of Information ("SOI") on July 29, 2010. The SOI addresses information sharing and is intended to assist both the Commission and Regulating Authorities in regulating and preventing fraud and abuse in the financial markets. The SOI remains in effect, and contemplates Regulating Authorities and the Commission providing the fullest measure of mutual assistance to facilitate their respective futures market oversight functions and to enforce the laws and regulations applicable to futures markets.

Regulating Authorities oversee TOCOM for compliance with the CDA as well as other additional policies established for such trading systems such as the System Management Standards (2004) and the System Management Standards – Supplementary Edition (Guidance for IT Controls over Financial Reporting) (2007). The CDA and these policies contain principles that are consistent with the IOSCO Principles. When inspecting TOCOM for compliance with the CDA and other relevant policies, Regulating Authorities review TOCOM's trading system to verify, among other things, that it (i) is equitable to all market participants, (ii) adequately supervises and surveils its market participants, (iii) has internal control systems capable of capturing in an orderly and complete way the relevant information of each market participant, and, (iv) has assessed the risk of system issues due to vulnerabilities such as unauthorized access or computer failures.

(v) The extent to which the regulatory regime/authority reviews and/or approves the trading rules of the foreign board of trade prior to their implementation.

The Articles and TOCOM Rules (other than minor changes to such rules) may not be revised or amended without the approval of Regulating Authorities.

(vi) The extent to which the regulatory regime/authority reviews and/or approves futures, option or swap contracts prior to their being listed for trading.

In Japan, Regulating Authorities must approve all contracts before they may be listed for trading on TOCOM. Regulating Authorities examine the product design of contracts for the susceptibility of manipulation prior to approving any contract.

(vii) The regulatory regime/authority's approach to the detection and deterrence of abusive trading practices, market manipulation, and other unfair trading practices or disruptions of the market.

Regulating Authorities may implement precautionary measures under Article 118 of the CDA in order to protect the public interest or maintain order in the commodity markets. When an excessive volume of transactions is carried out or is likely to be carried out through certain abusive trading practices (*e.g.*, those likely to result in excessive concentration), or contracts are formed or are likely to be formed with inadequate consideration or unfair contract prices, Regulating Authorities may take any of the following actions with respect to the named parties: (i) impose restrictions on members with regard to transactions or accepting consignment of transactions; (ii) with respect to TOCOM, take measures to limit fluctuation in quotations or the volume of transactions where settlement has not been completed, or change the amount of clearing margins required; (iii) with respect to JCCH, change the amount of clearing margins required; or (iv) with respect to either TOCOM or JCCH, take other actions specified in a Regulating Authorities' ordinance as matters for securing the fairness of market transactions.

The Market Rules provide that the Exchange may liquidate positions or take other emergency measures under any of the following circumstances or pursuant to an order by Regulating Authorities under CDA Article 118: (i) in order to maintain order in the commodity market, where transactions have been or are likely to be executed in excessive quantity, by means of cornering, bear raids, or other detrimental activities, or that unfair execution prices or premium have been or are likely to be formed; or (ii) where execution or settlement of transactions has been, or is likely to be, seriously disrupted due to natural disaster, wars, riots, violent fluctuation in market prices, or other similar events.

The CDA prescribes requirements for commodity exchanges to properly perform self-regulatory operations. Specifically, commodity exchanges are required to demonstrate that their self-regulatory responsibilities are being objectively and appropriately conducted and to audit each member for compliance with applicable laws, the exchange's articles of incorporation and rules, and to expel non-compliant members.

Under the CDA, TOCOM is required to properly conduct self-regulation related services in accordance with the CDA, the Articles and other rules in order to ensure the fairness of transactions on a commodity market and to protect customers. Self-regulation-related services include: (i) investigation of Exchange members' compliance with the CDA and orders and dispositions promulgated thereunder, the Articles, TOCOM Rules, and the fair and equitable principles of transactions; (ii) activities related to the expulsion and other sanctions against TOCOM members; and (iii) other activities specified by Regulating Authorities as necessary for ensuring the fairness of transactions on the commodity markets and the protection of customers. As required by the CDA, TOCOM has established an internal Self-Regulatory Committee to conduct such self-regulation related services. TOCOM has also established a number of other Board committees pursuant to the Articles (*see* Exhibit A-1, p. 6, above) and management committees to address Exchange risk and legal compliance.

EXHIBIT F(3)

A description of the laws, rules, regulations and policies that govern the authorization and ongoing supervision and oversight of market intermediaries who may deal with members and other participants located in the United States, including:

(i) Recordkeeping requirements.

Regulating Authorities have the authority to perform on-site inspections of Exchange Members, Clearing Participants, brokers and other market participants and to inspect such entities' books and other materials related to their business, pursuant to Articles 157, 184 and 231 of the CDA.

(ii) The protection of customer funds.

TOCOM Broker Members must calculate, account for and segregate on a daily basis the funds attributable to each customer. Broker Members are also obligated, under TOCOM Brokerage Rules, to notify each customer in writing on a regular basis (at least monthly), and at any time upon the request of a customer, of the balance of the customer's margin deposit, required amount of clearing margin, details of outstanding positions and any margin deposit excess (about which the Broker Member must request instructions from the customer regarding the refund).

The Brokerage Rules require a Broker Member, upon the execution of a customer transaction, to provide the customer with written notification about the order and the transaction contract, including type, date and time, quantity, price, total trading value, marked-to-market profit or loss, profit or loss by transaction, net profit and loss, outstanding balance of margin deposit and the brokerage commission. Further, Broker Members must notify customers when any customer order was not executed. There are separate notification requirements for transactions settled by delivery.

If a customer, upon the receipt of any notice described in the preceding two paragraphs, files a complaint with the Broker Member, the Broker Member must immediately issue a written response to the customer.

Brokers are required to compute the ratio of the amount of net assets to the amount covering any potential risks arising from commodity derivative transactions associated with the fluctuation of quotations among other factors (the "Net Assets Regulation Ratio"). Each Broker must ensure that its Net Assets Regulation Ratio does not fall below 120 percent and must report such ratio to Regulating Authorities at the end of every month. Further, each Broker must create a report stating its Net Assets Regulation Ratio as of the end of every quarter, keep copies of such report at all of its sales and business offices, and make each such report available for public inspection for a specified period.

(iii) Procedures for dealing with the failure of a market intermediary in order to minimize damage and loss to investors and to contain systemic risk.

TOCOM

Under TOCOM Market Rules, when a Broker Member defaults, TOCOM may transfer the customer positions managed by such Broker Member to other Broker Members, in accordance with the agreement between the parties involved. When a Broker Member, Trade Member or Remote Trade Member defaults, the Exchange will deem all positions held by such Member as defaulting positions (other than those positions transferred according to the preceding sentence) and settle such positions by dividing into “defaulting non-delivery positions” and “defaulting delivery positions.”

Procedure for defaulting non-delivery positions. TOCOM will first net nondelivery positions in the same contract month at the price determined by the Exchange. TOCOM will then request its members, who are also JCCH’s Clearing Participants, to accept the remaining defaulting non-delivery positions according to the terms of the assignment (volume and price). If no Member agrees to accept such defaulting non-delivery positions, TOCOM will, after determining the amount of additional compensation pertaining to such defaulting non-delivery positions, request its Members to accept such positions with the additional compensation.

Procedure for defaulting delivery positions. To the extent possible, the Exchange will have a Member to effect delivery when a defaulting party is capable of conducting delivery. TOCOM will then net delivery positions at the delivery price determined by the Exchange. With respect to the remaining defaulting delivery positions, TOCOM will request its Members that agree to accept remaining positions according to the terms of the assignment (volume and price) to effect delivery. If no Member agrees to accept such defaulting delivery positions, TOCOM will, after determining the amount of additional compensation pertaining to such defaulting delivery positions, settle the defaulting delivery positions and the opposing non-defaulting delivery positions at the delivery price.

JCCH

When a Clearing Participant fails to deposit funds required by JCCH by the prescribed deadline, such Clearing Participant is deemed to be in default. JCCH considers such a Clearing Participant insolvent and will no longer accept transactions undertaken by such Clearing Participant. When open positions held for customers by the insolvent Clearing Participant are transferred, based on the agreement between the parties, to other Clearing Participants in good standing, customer margin deposits will also be transferred. If such transfer will not take place, then open positions will be liquidated. In order to address a cash flow issue in the event a Clearing Participant’s default, JCCH has entered into a “line of credit” agreement with its designated clearing banks as a backup measure to maintain operations.

When JCCH suffers a loss as a result of a Clearing Participant’s default, JCCH is compensated in the applicable commodity market according to the following order:

(i) The clearing margin deposited by the defaulting Clearing Participant in its house account for the designated commodity market; the Clearing Funds deposited by the defaulting Clearing Participant; any other funds on deposit by the defaulting Clearing Participant; any clearing margin for customer accounts to which the defaulting Clearing Participant has a claim.

(ii) The special Clearing Funds deposited by the defaulting Clearing Participant.

(iii) Any Guarantee Funds the defaulting Clearing Participant has on deposit with any of the designated commodity markets.

(iv) The “default compensation reserve” established by JCCH from its surplus.

(v) Money received by the Exchange as compensation for an indemnified loss through a third-party insurer or reserve funds.

(vi) The Clearing Funds of other Clearing Participants involved in the commodity market in which the default took place.

(vii) Assessment determined by JCCH against non-defaulting Clearing Participants.

JCCH and TOCOM jointly provide a safety net to deal with the default of a Clearing Participant. A defaulting Clearing Participant’s obligations would be satisfied by using the following resources, for each market of each exchange (in the case of TOCOM, the precious metals, oil and rubber markets).

(i) First, funds contributed by the defaulting Clearing Participant are used, including clearing margins and Clearing Funds of the defaulting Clearing Participant deposited at JCCH and the Guarantee Fund deposited at TOCOM by the defaulting Clearing Participant (“defaulters pay arrangement”).

(ii) Next, funds secured by JCCH and TOCOM from sources other than the defaulting Clearing Participant are used to satisfy the obligations, including JCCH’s default reserve (2 billion yen), TOCOM’s security reserve fund against default (2.1 billion yen, composed of TOCOM surplus funds), and default insurance claims of TOCOM (5 billion yen, subject to a 5 billion yen deductible). These funds are secured for the purpose of mitigating the liability of Clearing Participants other than the defaulting Clearing Participant for compensating for the losses by default (“third parties pay arrangement”).

(iii) Finally, if the sources of funds listed above are insufficient to cover the losses, funds contributed by Clearing Participants other than the defaulting Clearing Participant are used, including ordinary clearing funds and other assessment determined by JCCH. (“survivors pay arrangement”).

Safety Net for JCCH and TOCOM (as of March 31, 2013)

JCCH	Clearing Margins (combining margins deposited by all clearing Participants in all markets)	154.4 billion yen
	Clearing Funds (combining funds deposited by all Clearing Participants in all markets)	9.3 billion yen
	Net Asset (including default reserve of 2 billion yen)	3.2 billion yen
TOCOM	Guarantee Funds (combining funds deposited by all Members)	0.27 billion yen
	Security Reserve Funds against Default	2.1 billion yen
	Default Insurance	5 billion yen (5 billion deductible)

EXHIBIT F(4)

A description of the regulatory regime/authority's inspection, investigation and surveillance powers; and the program pursuant to which the regulatory regime/authority uses those powers to inspect, investigate, and enforce rules applicable to the foreign board of trade.

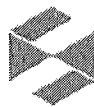
When Regulating Authorities find it necessary for the enforcement of the CDA, they may order TOCOM, its subsidiary company or a member thereof to submit a report or provide information about such entity's business or have its officials conduct an on-site inspection of the books, documents and other articles related to such business. Further, when Regulating Authorities find it necessary and appropriate to ensure the fair and equitable principles of trading or to protect customers, they may order TOCOM to amend its Articles or TOCOM Rules, change its business methods or take any other necessary measures for improving the operation of Exchange business.

Additionally, pursuant to Article 112 of CDA, TOCOM must provide to Regulating Authorities the following: (i) a daily report with daily exchange volume, the exchange's audit trail data, and large trader position data; and (ii) a monthly report with exchange volume and the delivery obligations by member. Regulating Authorities analyze this data for the purpose of market surveillance.

EXHIBIT F(5)

For both the foreign board of trade and the clearing organization (unless addressed in Supplement S-1), a report confirming that the foreign board of trade and clearing organization are in regulatory good standing, which report should be prepared subsequent to consulting with the regulatory regime/authority governing the activities of the foreign board of trade and any associated clearing organization. The report should include:

- (i) Confirmation of regulatory status (including proper authorization, licensure and registration) of the foreign board of trade and clearing organization.
- (ii) Any recent oversight reports generated by the regulatory regime/authority that are, in the judgment of the regulatory regime/authority, relevant to the foreign board of trade's status as a registered foreign board of trade.
- (iii) Disclosure of any significant regulatory concerns, inquiries or investigations by the regulatory regime/authority, including any concerns, inquiries or investigations with regard to the foreign board of trade's arrangements to monitor trading by members or other participants located in the United States or the adequacy of the risk management controls of the trading or of the clearing system.
- (iv) A description of any investigations (formal or informal) or disciplinary actions initiated by the regulatory regime/authority or any other self-regulatory, regulatory or governmental entity against the foreign board of trade, the clearing organization or any of their respective senior officers during the past year.



Ministry of Economy, Trade and Industry

May 16, 2012

The Secretary of the Commodity Futures Trading Commission

Three Lafayette Centre

1155 21st Street, NW

Washington, DC 20581

FBOTapplications@cftc.gov

Re: EXHIBITS A-7 AND F-5 ON THE FOREIGN BOARD OF TRADE APPLICATION FOR REGISTRATION

Dear Sir or Madam,

The Ministry of Economy, Trade and Industry (METI) is a government entity in Japan, established in 2001 by reorganizing the function of the Ministry of International Trade and Industry. The Minister of Economy, Trade and Industry, the head of the METI, is appointed by the Prime Minister.

METI is responsible, partially along with the Ministry of Agriculture, Forestry and Fisheries (MAFF), for the enforcement of the Commodity Derivatives Act (Act No. 239 of 1950) (CDA) that is the basic law governing commodity exchanges, commodity clearing organizations, commodity futures commission merchants, transactions traded on a commodity exchange and over the counter, the supervisory authority and sanction power given to the METI. The Commerce and Consumer Affairs Policy Division in METI is responsible for the daily enforcement of CDA.

For Exhibit A-7:

METI is authorized, pursuant to Article 9 or 78 of CDA, to grant permission or license for the establishment of a Member Commodity Exchange or an

Ministry of Economy, Trade and Industry 1-3-1 Kasumigaseki, Chiyoda-ku, Tokyo, 100-8901, JAPAN



Ministry of Economy, Trade and Industry

Incorporated Commodity Exchange that lists only industrial materials, respectively, and also, pursuant to Article 159, to render the rescission of the permission/license granted to such a Commodity Exchange, in the case where a Commodity Exchange violates CDA and if METI finds it necessary and appropriate for ensuring public interest or the fair and equitable principles of transactions or for protecting customers.

Tokyo Commodity Exchange (TOCOM) was registered in February 8, 1951, as the Tokyo Textile Exchange under the Commodity Exchange Act (Act No. 239 of 1950), which is the former act of CDA, with the Ministry of International Trade and Industry, the predecessor of METI. In November 1984, the Tokyo Textile Exchange merged with the Tokyo Rubber Exchange (registered in 1952) and the Tokyo Gold Exchange (permitted in 1982), and changed its name to TOCOM.

TOCOM is currently an Incorporated Commodity Exchange licensed under CDA, and is in good regulatory standing in its capacity to be a Commodity Exchange.

For Exhibit F-(5):

(i) Confirmation of Regulatory Status

(a) TOCOM

(See the representation in Exhibit A-7)

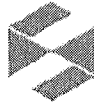
(b) Japan Commodity Clearing House (JCCH)

MAFF and METI, the Competent Ministers for a Commodity Clearing Organization pursuant to Article 354 of CDA, are authorized, pursuant to Article 167 of CDA, to grant license to conduct Business of Assuming Commod

ity Transaction Debts, and also, pursuant to Article 186, to render the rescission of the license granted to a Commodity Clearing Organization, in the case where a Commodity Clearing Organization violates CDA and if MAFF and METI find it necessary and appropriate

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Ministry of Economy, Trade and Industry

for the proper and secure execution of Business of Assuming Commodity Transaction Debts.

Japan Commodity Clearing House (JCCH) was licensed in April 25, 2005, under CEA, which is the former act of CDA, with MAFF and METI. JCCH is currently a Commodity Clearing Organization licensed under CDA, and is in good regulatory standing in its capacity to be a Commodity Clearing Organization.

(ii) Any recent oversight reports relevant to TOCOM's regulatory status

Since TOCOM is in good regulatory standing in its capacity to be a Commodity Exchange, any oversight report relevant to TOCOM's regulatory status has not been issued.

(iii) Any significant regulatory concerns, inquiries, or investigation

(a) TOCOM

METI is authorized, pursuant to Article 158 of CDA, to order a Commodity Exchange to (1) change its articles of incorporation or other rules, (2) change its business methods or (3) take any other necessary measures for improving the operation of its business, when METI finds it necessary and appropriate for ensuring the fair and equitable principles of transactions or for protecting customers. The operation of business includes a Commodity Exchange's arrangements to monitor trading by members or other participants located in the United States and the adequacy of the risk management controls of the trading.

METI has not issued an order to Improve business operations against TOCOM based on Article 158 of CDA.

(b) JCCH

MAFF and METI are authorized, pursuant to Article 185 of CDA, to order a Commodity Clearing Organization to (1) amend its articles of incorporation, business rules or other rules, (2) change its business methods or (3) take any other

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necessary measures for improving the operation of its business or the status of its property, when MAFF and METI find it necessary and appropriate for the proper and secure execution of Business of Assuming Commodity Transaction Debts. The operation of a Commodity Clearing Organization's business includes the adequacy of the risk management controls of the clearing system.

MAFF and METI have not issued an order to improve business operations against JCCH based on Article 185 of CDA.

(iv) Any investigations or disciplinary actions during the past year

(a) TOCOM or its senior officers

METI is authorized, pursuant to Article 157 of CDA, to (1) order a Commodity Exchange to submit a report or materials that provide information about its business or (2) enter into an office or a business office of the Commodity Exchange to inspect the books, documents and other articles related to its business, when METI finds it necessary for the enforcement of CDA.

Additionally, METI is authorized, pursuant to Article 159 (3) of CDA, to order a Commodity Exchange to dismiss its officer, if the officer of a Commodity Exchange has violated CDA, or orders/dispositions issued pursuant to CDA.

During the past year, METI ordered TOCOM to submit two separate reports that provide factual information. One is about a failure of the circuit breaker processing due to a coding error for platinum trading occurred on September 26, 2011. Other is about a trading halt in its gold market caused by system glitch on November 1, 2011. However, on-site inspection was not conducted.

METI has not ordered TOCOM to dismiss any officer based on Article 159 (3) of CDA.

(b) JCCH or its senior officers

MAFF and METI are authorized, pursuant to Article 184 of CDA, to (1) order a

Ministry of Economy, Trade and Industry 1-3-1 Kasumigaseki, Chiyoda-ku, Tokyo, 100-8901, JAPAN

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Ministry of Economy, Trade and Industry

Commodity Clearing Organization to submit a report or materials that provide information about its business or (2) have their officials enter into an office or a business office of the Commodity Clearing Organization to inspect the books, documents and other articles related to its business, when MAFF and METI find it necessary for the enforcement of CDA.

Additionally, MAFF and METI are authorized, pursuant to Article 186 (4) of CDA, to order a Commodity Clearing Organization to dismiss its officer, if the officer of a Commodity Clearing Organization has violated CDA, or orders/dispositions issued pursuant to CDA.

MAFF and METI have not either ordered JCCH to submit any report or material or conducted on-site inspection pursuant to Article 184 of CDA.

MAFF and METI have not ordered JCCH to dismiss any officer based on Article 186 (4) of CDA.

Should you have any question, please feel free to contact me at ishizaki-takashi@meti.go.jp and Shoko Seta (née: Nakano) at nakano-shoko@meti.go.jp .

Sincerely,

Ishizaki, Takashi

Director for Commerce and Consumer Affairs Policy Division

Ministry of Economy, Trade and Industry (METI)

Ministry of Economy, Trade and Industry 1-3-1 Kasumigaseki, Chiyoda-ku, Tokyo, 100-8901, JAPAN

MAFF

Ministry of Agriculture, Forestry and Fisheries

May 17, 2012

The Secretary of the Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20581
FBOTapplications@cftc.gov

Re: EXHIBITS F-5 ON THE FOREIGN BOARD OF TRADE APPLICATION FOR REGISTRATION

Dear Sir or Madam,

The Ministry of Agriculture, Forestry and Fisheries (MAFF) is responsible, partially along with the Ministry of Economy, Trade and Industry (METI), for the enforcement of the Commodity Derivatives Act (Act No. 239 of 1950) (CDA) that is the basic law governing commodity exchanges, commodity clearing organizations, commodity futures commission merchants, transactions traded on a commodity exchange and over the counter, the supervisory authority and sanction power given to MAFF and METI. The Commodity Trade Division in MAFF is responsible for the daily enforcement of CDA.

For Exhibit F-(5): (For the clearing organization).

(i) Confirmation of Regulatory Status

MAFF and METI, the Competent Ministers for a Commodity Clearing Organization pursuant to Article 354 of CDA, are authorized, pursuant to Article 167 of CDA, to grant license to conduct

Business of Assuming Commodity Transaction Debts, and also, pursuant to Article 186, to render the

Ministry of Agriculture, Forestry and Fisheries 1-2-1 Kasumigaseki, Chiyoda-ku, Tokyo, 100-8950, JAPAN

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MAFF

Ministry of Agriculture, Forestry and Fisheries

rescission of the license granted to a Commodity Clearing Organization, in the case where a Commodity Clearing Organization violates CDA and if MAFF and METI find it necessary and appropriate for the proper and secure execution of Business of Assuming Commodity Transaction Debts.

Japan Commodity Clearing House (JCCH) was licensed in April 25, 2005, under the Commodity Exchange Act (Act No. 239 of 1950), which is the former act of CDA, with MAFF and METI. JCCH is currently a Commodity Clearing Organization licensed under CDA, and is in good regulatory standing in its capacity to be a Commodity Clearing Organization.

(ii) Any recent oversight reports relevant to the Foreign Board of Trade's regulatory status

N/A

(iii) Any significant regulatory concerns, inquiries, or investigation

MAFF and METI are authorized, pursuant to Article 185 of CDA, to order a Commodity Clearing Organization to (1) amend its articles of incorporation, business rules or other rules, (2) change its business methods or (3) take any other necessary measures for improving the operation of its business or the status of its property, when MAFF and METI find it necessary and appropriate for the proper and secure execution of Business of Assuming Commodity Transaction Debts. The operation of a Commodity Clearing Organization's business includes the adequacy of the risk management controls of the clearing system.

MAFF and METI have not issued an order to improve business operations against JCCH based on Article 185 of CDA.

MAFF

Ministry of Agriculture, Forestry and Fisheries

(iv) Any investigations or disciplinary actions during the past year

MAFF and METI are authorized, pursuant to Article 184 of CDA, to (1) order a Commodity Clearing Organization to submit a report or materials that provide information about its business or (2) have their officials enter into an office or a business office of the Commodity Clearing Organization to inspect the books, documents and other articles related to its business, when MAFF and METI find it necessary for the enforcement of CDA.

Additionally, MAFF and METI are authorized, pursuant to Article 186 (4) of CDA, to order a Commodity Clearing Organization to dismiss its officer, if the officer of a Commodity Clearing Organization has violated CDA, or orders/dispositions issued pursuant to CDA.

MAFF and METI have not either ordered JCCH to submit any report or material or conducted on-site inspection pursuant to Article 184 of CDA.

MAFF and METI have not ordered JCCH to dismiss any officer based on Article 186 (4) of CDA.

Should you have any question, please feel free to contact me at keishii_tokuda@maff.go.jp and Tetsuo Morioka at tetsuo_morioka@maff.go.jp.

Sincerely,

Tokuda, Keishii
Director for Commodity Trade Division
Food Industry Affairs Bureau
Ministry of Agriculture, Forestry and Fisheries (MAFF)

EXHIBIT F(6)

Both the foreign board of trade and the clearing organization (unless addressed in Supplement S-1), a confirmation that the regulatory regime/authority governing the activities of the foreign board of trade and the clearing organization agree to cooperate with a Commission staff visit subsequent to submission of the application on an “as needed basis,” the objectives of which will be to, among other things, familiarize Commission staff with supervisory staff of the regulatory regime/authority; discuss the laws, rules and regulations that formed the basis of the application and any changes thereto; discuss the cooperation and coordination between the authorities, including, without limitation, information sharing arrangements; and discuss issues of concern as they may develop from time to time (for example, linked contracts or unusual trading that may be of concern to Commission surveillance staff).

See attached.

[TOCOM Letterhead]

TOCOM staff have consulted with relevant staff of METI and confirm that METI agrees to cooperate with a Commission staff visit subsequent to submission of TOCOM's application on an "as needed basis," the objectives of which will be to, among other things, familiarize Commission staff with supervisory staff of METI; discuss the laws, rules and regulations that formed the basis of TOCOM's application and any changes thereto; discuss the cooperation and coordination between the authorities, including, without limitation, information-sharing arrangements; and discuss issues of concern as they may develop from time to time (for example, linked contracts or unusual trading that may be of concern to Commission surveillance staff).

江崎 格

[Signature]

Name: Tadashi Ezaki

Title: President & CEO

Date: July 9th, 2013

**EXHIBIT G – THE RULES OF THE FOREIGN BOARD OF TRADE AND
ENFORCEMENT THEREOF**

EXHIBIT G-1

A description of the foreign board of trade's regulatory or compliance department, including its size, experience level, competencies, duties and responsibilities.

TOCOM has established various policies and procedures to help ensure that TOCOM business operations are in compliance with the requirements of the CDA as well as TOCOM's own internal policies. Among these policies, TOCOM has established the "Policy Regarding the Implementation of Internal Control Systems" which emphasizes that compliance is one of the most important management issues of TOCOM. TOCOM has further established the "Chapter of Corporate Behavior" and "Code of Conduct" as standards for employees as well as the "Compliance Rules" that cover principle compliance matters.

TOCOM has established a Compliance Committee led by the President of TOCOM to verify compliance with the internal rules of TOCOM as well as the policies and regulations noted above. TOCOM's Legal Department is responsible for planning and implementing the compliance and internal control systems.

The Legal Department consists of five staff members. The head of the Legal Department is the Executive Managing Officer. The Executive Managing Officer assists the President of the Compliance Committee.

The current compliance and internal controls systems have been in place since 2008. The two most senior staff within the Legal Department (the Executive Managing Officer and the Senior Vice President) have gained extensive experience establishing and managing the current systems. There are three additional lawyers who assist with the program.

The main responsibilities of the Legal Department are as follows:

- Revise as appropriate TOCOM rules, policies and manuals concerning compliance
- Devise compliance training programs
- Provide guidance and interpretation on TOCOM rules and policies
- Review and investigate information received from whistleblowers
- Review and investigate harassment or other inappropriate conduct

EXHIBIT G-2

A description of the foreign board of trade's trade practice rules, including, but not limited to, rules that address the following –

(1) Capacity of the foreign board of trade to detect, investigate, and sanction persons who violate foreign board of trade rules.

TOCOM has implemented a surveillance system to help detect any members who violate TOCOM rules. The market surveillance is designed to detect and prevent market abuses, such as price manipulation, by constantly overseeing market conditions and the transactions of each member firm. To avoid possible conflicts of interest between the Exchange's self-regulatory obligations and its commercial interest, TOCOM has a representative executive officer responsible for self-regulatory issues, apart from the one in charge of market operation business.

TOCOM, JCCH and Regulating Authorities also conduct on-site audits/inspections of market participants. TOCOM's main focus in conducting periodic on-site audits is to ensure the fairness of transactions in the commodity futures markets. TOCOM participates in the audit of Broker Members, conducted jointly by the exchanges, JCCH, the national futures protection fund and the Commodity Futures Association of Japan, and separately conducts audits of its Trade Members. TOCOM has the authority to perform an on-site examination when it deems necessary.

The Market Rules of TOCOM provide the Exchange with extensive authority to investigate and sanction members, where appropriate. Article 123 of the Market Rules provides TOCOM with the authority to demand books and records and any other documents or materials of the member when deemed necessary by the Exchange. The Exchange can also require a member to be audited by a certified public accountant when deemed necessary by the Exchange to verify the assets and accounting conditions of the member. Through the procedures set out in Article 140 of the Market Rules, members may also report to the Exchange any suspicious activity or breach of TOCOM rules to the Exchange.

The Exchange can sanction members for rule violations in accordance with Article 130 of the Market Rules. Article 130 authorizes TOCOM to impose a variety of sanctions including monetary sanctions in the amount of 100 million yen or less, suspensions or other restrictions in membership or trading privileges, or even cancellation of TOCOM membership. Examples of rule violations covered by Article 30 include:

- Failure to deposit required funds with the Exchange or fund any other liability with the Exchange (Article 130.1(1));
- Engaging in activity that disrupts the execution of trades in the market or that substantially impedes the executions of other members without justification (Article 130.1(2));
- Misrepresenting the amount of assets held by the Member (Article 130.1(5));
- Failing to obey an demand to submit books and records to the Exchange or submitting false books and records (Article 130.1(6));

- Failing to comply with instructions from the Exchange or avoiding compliance with an instruction (Article 130.1(7));
- Actions that breach the principles of fair and equitable transactions or harm or disgrace the reputation of the Exchange or its Members (Article 130.1(8));
- Any violation of applicable laws and regulations or TOCOM rules (Article 130.1(9)).

Other provisions of the Market Rules give TOCOM the authority to take emergency measures with respect to a member (Article 82) or restrict positions or transactions of a member (Article 30). The Exchange may also make recommendations to a member to rectify any conditions of the member that are deemed inappropriate for the operations of the Exchange (Article 142). The Exchange can require the Member to report on the remedial measures taken by the member to correct the matter involved.

(2) Prohibition of fraud and abuse, as well as abusive trading practices including, but not limited to, wash sales and trading ahead, and other market abuses.

Article 116 of the CDA prohibits unfair trade practices such as:

- wash trades
- market manipulation through fake transaction (accommodation trades)
- manipulation of prices through a series of transactions or conspiring with others to manipulate prices
- placement of orders without the intention to execute them
- placement of orders at price level that significantly deviate from the current market conditions
- placement or cancellation of an excessive volume of orders

(3) A trade surveillance system appropriate to the foreign board of trade and capable of detecting and investigating potential trade practice violations.

TOCOM conducts surveillance for various forms of market manipulation as part of its market surveillance.

The Exchange strives to detect manipulation by identifying abnormal and/or artificial transactions. Among other things, the Exchange monitors for TOCOM rule violations including the following:

- Placement or cancellation of an excessive volume of orders given current market conditions.
- Placement of orders without intention to execute them.
- Transactions in which a person is both the buyer and the seller either independently or jointly with another person (*i.e.*, wash trades or pre-arranged trades).

- Placement of orders at price levels that significantly deviate from the current market conditions.

(4) An audit trail that captures and retains sufficient order and trade-related data to allow the compliance staff to detect trading and market abuses and to reconstruct all transactions within a reasonable period of time.

The TOCOM System captures a broad range of information for every transaction. This includes the specific contract; the unique participant code for the Member; identification numbers for the buy and sell orders; the price and number of contracts traded; the notional value of the transaction; the transaction type (*i.e.*, whether a buy or a sell); the date and time to the nearest second of each order and trade; and the identification code for each Broker Member. TOCOM market rules do not specify the nature of TOCOM's audit trail.

(5) Appropriate resources to conduct real-time supervision of trading.

TOCOM has responsibilities under the CDA to conduct surveillance of its market. Regulating Authorities may impose additional requirements on TOCOM if Regulating Authorities view TOCOM's resources as insufficient.

(6) Sufficient compliance staff and resources, including those outsourced or delegated to third parties, to fulfill regulatory responsibilities.

TOCOM has responsibilities under the CDA to conduct surveillance of its market. Regulating Authorities may impose additional requirements on TOCOM if Regulating Authorities view TOCOM's resources as insufficient.

(7) Rules that authorize compliance staff to obtain, from market participants, information and cooperation necessary to conduct effective rule enforcement and investigations.

Under Article 123 of the TOCOM Market Rules, the Exchange may order a member to submit its books and records (as set forth in Articles 121 and 122 of the Market Rules) for inspection, whenever deemed necessary by the Exchange and in certain specified circumstances (*e.g.*, for reporting to Regulating Authorities or upon a request for information from JCCH). When it is deemed necessary by TOCOM to verify the assets and financial records of the Member, the Exchange may also order an audit of a member by a certified public accountant and require such member to submit an audit report prepared in connection therewith.

(8) Staff investigations and investigation reports demonstrating that the compliance staff investigates suspected rule violations and prepares reports of their finding and recommendations.

TOCOM investigations into possible violations of TOCOM rules are documented in reports. Members are provided with a written notification of any possible disciplinary action or possible sanction.

(9) Rules determining access requirements with respect to the persons that may trade on the foreign board of trade, and the means by which they connect to it.

Article 6 and 6-2 govern the manner in which TOCOM Members can access the Exchange and include regulatory provisions for Broker Members to provide DMA to customers.

(10) The requirement that market participants submit to the foreign board of trade's jurisdiction as a condition of access to the market.

Members must agree to the jurisdiction of TOCOM when executing the membership agreement. *See* Membership Agreement attached at Exhibit A-3.

EXHIBIT G-3

A description of the foreign board of trade's disciplinary rules, including, but not limited to, rules that address the following –

(1) Disciplinary authority and procedures that empower staff to recommend and prosecute disciplinary actions for suspected rule violations and that provide the authority to fine, suspend, or expel any market participant pursuant to fair and clear standards.

Article 165 of the CDA requires TOCOM to provide for monetary sanctions, suspension or revocation of trading qualifications or licenses *and/or* expulsion of trading participants who commit acts violating laws and TOCOM regulations, or commit acts contrary to the fair and equitable principles of trade. Accordingly, the Articles authorize the Exchange to take the following actions against a member that has violated the laws and TOCOM regulations or acted against the just and equitable principles of trade: (i) recommend that such member take appropriate corrective measures; (ii) impose a fine on such member; (iii) suspend or restrict such member's transactions on commodity markets or its acceptance of commodity clearing transactions related thereto; or (iv) revoke such member's membership.

(2) The issuance of warning letters and/or summary fines for specified rule violations.

TOCOM has the authority under Article 142 to issue written recommendations which have the same effect as warning letters. TOCOM rules do not provide authority for summary fines. All disciplinary actions by TOCOM allow the TOCOM member to provide an explanation for the potentially improper behavior.

(3) The review of investigation reports by a disciplinary panel or other authority for issuance of charges or instructions to investigate further, or findings that an insufficient basis exists to issue charges.

TOCOM Market Rules vest authority to discipline members in the Self-Regulatory Committee. Article 130.1 of the Market Rules enumerates the conditions under which the Exchange may, pursuant to a resolution of the Self-Regulatory Committee, impose specified sanctions on a member for particular violations by such member or any of its employees and/or require such member to take measures to remedy the violation.

When the Self-Regulatory Committee meets to consider imposing sanctions on a member, the Exchange will notify the member in advance and provide the member or its agent with a reasonable opportunity to respond by appearing at the meeting of the Self-Regulatory Committee. If the member or its agent fails to appear, the Committee may impose sanctions without providing the member with further opportunity for a hearing.

When a member objects to sanctions imposed on it by the Exchange (other than with respect to revocation of its membership), the member may appeal by filing a written objection with the Exchange within ten days of the enforcement date of the penalty. The Self-Regulatory Committee decides whether to accept or reject the appeal. When a member that was suspended or restricted from engaging in transactions or from accepting commodity clearing transactions in

the commodity markets under Article 130.1 remedies the violation that gave rise to such sanction (or takes the measures required by the Self-Regulatory Committee to remedy such violation), such member may file a written request with the Exchange to have the sanction lifted.

(4) Disciplinary committees of the foreign board of trade that take disciplinary action via formal disciplinary processes.

The Self-Regulatory Committee has the authority to take disciplinary action through a formal disciplinary process.

(5) Whether and how the foreign board of trade articulates its rationale for disciplinary decisions.

When the Exchange intends to take disciplinary actions it gives the party concerned an opportunity to provide an explanation in advance. The party concerned is notified as to which rules are considered to be violated by which of its acts and on which provision the contemplated disciplinary actions are based. In addition, the outline of said information is published once such actions are taken although details are notified only to the party concerned.

(6) The sanctions for particular violations and a discussion of the adequacy of sanctions with respect to the violations committed and their effectiveness as a deterrent to future violations.

The Self-Regulatory Committee determines specific sanctions after considering the opinion of the Disciplinary Committee, an advisory body, and the explanation provided by the party concerned. Since sanctions are published, TOCOM believes that they serve as an effective deterrent as other Members are informed that if they engage in the same act, they would be subject to sanctions. The disciplinary measures provided for in Article 130 of the Market Rules consist of warnings, fines, suspensions, and cancellation of the membership qualification of Members. In addition, Article 142 thereof prescribes recommendations to rectify inappropriate acts of Members. Specific sanctions are determined in consideration of the nature of violation as well as the degree of repetition of similar violations.

EXHIBIT G-4

A description of the market surveillance program (and any related rules), addressing the following:

The dedicated market surveillance department or the delegation or outsourcing of that function, including a general description of the staff; the data collected on traders' market activity; data collected to determine whether prices are responding to supply and demand; data on the size and ownership of deliverable supplies; a description of the manner in which the foreign board of trade detects and deters market manipulation; for cash-settled contracts, methods of monitoring the settlement price or value; and any foreign board of trade position limit, position management, large trader or other position reporting system.

TOCOM implements measures, on its own and/or as monitored by Regulating Authorities, to ensure that trading in its System is fair, efficient, transparent, secured and orderly. TOCOM carries out real-time market monitoring. It is committed to detecting any fraudulent trade to prevent market abuses, such as price manipulation, by constantly overseeing market conditions and the transactions of each member firm. TOCOM oversees the compliance of its members with laws and exchange rules. In addition to traditional supervision by experienced exchange staff, TOCOM has introduced an electronic market surveillance system that can detect suspicious transactions based on records of trades, orders and cancelled orders. This allows for an advanced trading surveillance on a real-time basis. Employing both human and electronic methods, TOCOM more effectively scrutinizes any unusual order and trade behavior to track down abusive or dubious trades. In order to avoid possible conflicts of interest between the Exchange's self-regulatory obligations and its commercial interest, TOCOM has a representative executive officer responsible for self-regulatory issues, apart from the one in charge of market operation business.

TOCOM imposes position limits on all products and all market participants. The position limits with respect to each product may be found at the following links:

Precious Metals Market Management Detailed Rules, Article 2:

<http://www.tocom.or.jp/kitei/documents/PreciousMetalsMarketManagementDetailedRules201401.pdf>

Oil Market Management Detailed Rules, Article 2:

<http://www.tocom.or.jp/kitei/documents/OilMarketManagementDetailedRules201401.pdf>

Rubber Market Management Detailed Rules, Article 2:

<http://www.tocom.or.jp/kitei/documents/RubberMarketManagementDetailedRules201401.pdf>

Chukyo-oil Market Management Detailed Rules, Article 2:

<http://www.tocom.or.jp/kitei/documents/ChukyoOilMarketManagementDetailedRules201401.pdf>

Agricultural Product & Sugar Market Management Detailed Rules, Article 3 and 4:

<http://www.tocom.or.jp/kitei/documents/AgriculturalMarketManagementDetailedRules201401.pdf>

**EXHIBIT H – INFORMATION SHARING AGREEMENTS AMONG THE
COMMISSION, THE FOREIGN BOARD OF TRADE, THE CLEARING
ORGANIZATION, AND RELEVANT REGULATORY AUTHORITIES**

EXHIBIT H(1)

A description of the arrangements among the Commission, the foreign board of trade, the clearing organization, and the relevant foreign regulatory authorities that govern the sharing of information regarding the transactions that will be executed pursuant to the foreign board of trade's registration with the Commission and the clearing and settlement of those transactions. This description should address or identify whether and how the foreign board of trade, clearing organization, and the regulatory authorities governing the activities of the foreign board of trade and clearing organization agree to provide directly to the Commission information and documentation requested by Commission staff that Commission staff determines is needed:

- (i) To evaluate the continued eligibility of the foreign board of trade for registration.**
- (ii) To enforce compliance with the specified conditions of the registration.**
- (iii) To enable the CFTC to carry out its duties under the Act and Commission regulations and to provide adequate protection to the public or registered entities.**
- (iv) To respond to potential market abuse associated with trading by direct access on the registered foreign board of trade.**
- (v) To enable Commission staff to effectively accomplish its surveillance responsibilities with respect to a registered entity where Commission staff, in its discretion, determines that a contract traded on a registered foreign board of trade may affect such ability.**

Regulating Authorities are signatories to the IOSCO MMOU, which promotes mutual cooperation and consultation among IOSCO members (including both the Commission and Regulating Authorities) to ensure compliance with, and enforcement of, their securities and derivatives laws and regulations. Regulating Authorities have confirmed to the Commission that it is committed to fulfill the scope of assistance established in Article 7 of the MMOU and that the information-sharing terms of the MMOU will extend to information requested by the Commission regarding the activities conducted on TOCOM.

In August 2010, METI, MAFF and the CFTC entered into the SOI. The SOI is designed to enhance the "Statement of Reference" that the parties entered into in October 2008. The parties have agreed to assist each other, to the full extent permitted by their respective laws and regulations, to facilitate: (i) market oversight, including market and financial surveillance; (ii) the granting of licenses, authorizations, waivers or exemptions for the conduct of futures activities, including futures firms, exchanges and clearing organizations; (iii) the supervision of futures activities, including futures firms, exchanges and clearing organizations; (iv) the inspection of futures firms, exchanges and clearing organizations; and (v) the investigation, or civil or criminal enforcement action by the parties of activity that may violate the laws and regulations of their respective jurisdictions.

EXHIBIT H(2)

A statement as to whether and how the foreign board of trade has executed the International Information Sharing Memorandum of Understanding and Agreement.

TOCOM is a signatory to the International Information Sharing Memorandum of Understanding and Agreement.

EXHIBIT H(3)

A statement as to whether the regulatory authorities governing the activities of the foreign board of trade and clearing organization are signatories to the International Organization of Securities Commissions Multilateral Memorandum of Understanding. If not, describe any substitute information-sharing arrangements that are in place.

Regulating Authorities are signatories to the International Organization of Securities Commissions Multilateral Memorandum of Understanding.

EXHIBIT H(4)

A statement as to whether the regulatory authorities governing the activities of the foreign board of trade and clearing organization are signatories to the Declaration on Cooperation and Supervision of International Futures Exchanges and Clearing Organizations. If not, a statement as to whether and how they have committed to share the types of information contemplated by the International Information Sharing Memorandum of Understanding and Agreement with the Commission, whether pursuant to an existing memorandum of understanding or some other arrangement.

The Ministry of International Trade and Industry (“MITI”) of Japan is a signatory to the Declaration on Cooperation and Supervision of International Futures Exchanges and Clearing Organizations. In 2001, MITI was reorganized into METI.

EXHIBIT I – ADDITIONAL INFORMATION AND DOCUMENTATION

EXHIBIT I

Any additional information or documentation necessary to demonstrate that the requirements for registration applicable to the foreign board of trade set forth in Commission regulation 48.7 are satisfied.

Not applicable.

COMMODITY FUTURES TRADING COMMISSION
SUPPLEMENT S-1 to FORM FBOT
CLEARING ORGANIZATION SUPPLEMENT TO
FOREIGN BOARD OF TRADE APPLICATION FOR REGISTRATION

Name of clearing organization as specified in organizational documents

Japan Commodity Clearing House Co., Ltd.

Address of principal executive office

10-7 Nihombashi-horidomecho, 1-Chome, Chuo-ku, Tokyo 103-0012 Japan

Name of the foreign board of trade on associated Form FBOT

Tokyo Commodity Exchange, Inc.

- If this Supplement S-1 is accompanying a new application for registration, please complete in full and check here.
- If this Supplement S-1 is an amendment to a pending application for registration, or to a final application that resulted in the issuance of an Order of Registration, please list all items that are amended or otherwise updated and check here.

When appropriate, please attach additional page(s) containing a list and explanatory statement of amendment(s) or update(s).

REGISTERED DERIVATIVES CLEARING ORGANIZATIONS

If the clearing organization is registered with the Commission in good standing as a derivatives clearing organization (DCO), please indicate by checking here:

- If the clearing organization is registered with the Commission in good standing as a DCO, the clearing organization need not complete the remainder of the Supplement S-1.

GENERAL INFORMATION

1. Name under which the business of the clearing organization will be conducted, if different than the name specified above:

2. List of principal office(s) where clearing organization activities are/will be conducted (please use multiple entries, when applicable):

Office (name and/or location): Japan Commodity Clearing House Co., Ltd.

Address: 10-7 Nihombashi-horidomecho

1-Chome

Chuo-ku, Tokyo 103-0012 Japan

Phone Number: +81-3-5847-7521

Fax Number: +81-3-5847-7525

Website Address: http://www.jcch.co.jp/i/i_b.html

3. Contact Information.

- 3a. Primary Contact for Supplement S-1 (*i.e.*, the person authorized to receive Commission correspondence in connection with this Supplement S-1 and to whom questions regarding the submission should be directed):

Name: Kevin M. Foley

Title: Attorney

Email Address: kevin.foley@kattenlaw.com

Mailing Address: c/o Katten Muchin Rosenman LLP

Phone Number:

525 W. Monroe

Chicago, IL 60661

312-902-5372

Fax Number:

312-902-1061

3b. If different than above, primary contact at the clearing organization that is authorized to receive all forms of Commission correspondence:

Name:

Mr. Yoshio Murakami

Title:

Principal, International Affairs

Email Address:

Mailing Address:

10-7 Nihonbashi Horidomecho 1-Chome,
Chuo-ku, Tokyo 103-0012 Japan

Phone Number:

+81-3-5847-7521

Fax Number:

+81-3-5847-7525

BUSINESS ORGANIZATION

Describe organization history, including date and, if applicable, location of filing of original organizational documentation, and describe all substantial amendments or changes thereto. For example:

JCCH was established on December 24, 2004, to conduct an independent centralized Clearinghouse operation. It is organized as a stock company owned by all Japanese Commodity Exchanges and the Japan Commodity Futures Industry Association which is an association of FCMs.

On May 2, 2005, JCCH started providing clearing and settlement services for the transactions of all commodity exchanges in Japan.

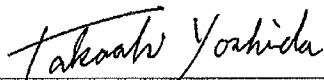
SIGNATURES

By signing and submitting this Supplement S-1, the clearing organization agrees to and consents that the notice of any proceeding before the Commission in connection with the associated

foreign board of trade's application for registration or registration with the Commission may be given by sending such notice by certified mail or similar secured correspondence to the persons specified in sections 3a and 3b above.

The Japan Commodity Clearing House Co., Ltd. has duly caused this Supplement S-1 to be signed on its behalf by the undersigned, hereunto duly authorized, this 28 day of November, 2014.

The Japan Commodity Clearing House Co., Ltd. and the undersigned represent that all information and representations contained in this Supplement S-1 (and exhibits) are true, current, and complete. It is understood that all information, documentation, and exhibits are considered integral parts of this Supplement S-1. The submission of any amendment to a Supplement S-1 represents that all items and exhibits not so amended remain true, current, and complete as previously filed.



Signature of Chief Executive Officer, on behalf of the Japan Commodity Clearing House Co., Ltd.

Name: Takaaki Yoshida

Title: CEO and Chairman

Japan Commodity Clearing House Co., Ltd.

INSTRUCTIONS FOR EXHIBITS TO SUPPLEMENT S-1

1. The following exhibits must be filed with the Commission by the clearing organization(s) that will be clearing trades executed on the trading system of a foreign board of trade applying for registration with the Commission pursuant to CEA section 4(b) and part 48 of Commission's regulations. The information and documentation requested relates to the activities of the clearing organization.
2. The exhibits should be filed in accordance with the General Instructions to this Supplement S-1 and labeled as specified herein. If any exhibit is not applicable, please specify the exhibit letter and number and indicate by marking "none" or "N/A". If any exhibit may be satisfied by documentation or information submitted in a different exhibit, the documentation or information need not be submitted more than once – please use internal cross-references where appropriate.

GENERAL REQUIREMENTS

A foreign board of trade applying for registration must submit sufficient information and documentation to successfully demonstrate to Commission staff that the foreign board of trade and its clearing organization satisfy all of the requirements of Commission regulation 48.7. With respect to its review of the foreign board of trade's clearing organization, the Commission anticipates that such information and documentation would necessarily include, but not be limited to, the following:

EXHIBIT A – GENERAL INFORMATION AND DOCUMENTATION

Attach, as **Exhibit A-1**, a description of the following for the clearing organization:
Location, history, size, ownership and corporate structure, governance and committee structure, and current or anticipated presence of staff in the United States.

Attach, as **Exhibit A-2**, the following:

Articles of association, constitution, or other similar organizational documents.

Attach, as **Exhibit A-3**, the following:

- (1) Membership and participation agreements.
- (2) Clearing agreements.

Attach, as **Exhibit A-4**, the following:

The national statutes, laws and regulations governing the activities of the clearing organization and its members.

Attach, as **Exhibit A-5**, the following:

The current rules, regulations, guidelines and bylaws of the clearing organization.

Attach, as **Exhibit A-6**, the following:

Evidence of the authorization, licensure or registration of the clearing organization pursuant to the regulatory regime in its home country jurisdiction(s) and a representation by its regulator(s) that it is in good regulatory standing in the capacity in which it is authorized, licensed or registered.

Attach, as **Exhibit A-7**, the following document:

A summary of any disciplinary or enforcement actions or proceedings that have been brought against the clearing organization, or any of the senior officers thereof, in the past five years and the resolution of those actions or proceedings.

Attach, as **Exhibit A-8**, the following document:

An undertaking by the chief executive officer(s) (or functional equivalent[s]) of the clearing organization to notify Commission staff promptly if any of the representations made in connection with this supplement cease to be true or correct, or become incomplete or misleading.

EXHIBIT B – MEMBERSHIP CRITERIA

Attach, as **Exhibit B**, the following, separately labeling each description:

- (1) A description of the categories of membership and participation in the clearing organization and the access and clearing privileges provided to each by the clearing organization.
- (2) A description of all requirements for each category of membership and participation and the manner in which members and other participants are required to demonstrate their compliance with these requirements. The description should include, but not be limited to, the following:
 - (i) Professional Qualification. A description of the specific professional requirements, qualifications, and/or competencies required of members or other

participants and/or their staff and a description of the process by which the clearing organization confirms compliance with such requirements.

(ii) Authorization, Licensure and Registration. A description of any regulatory or self-regulatory authorization, licensure or registration requirements that the clearing organization imposes upon, or enforces against, its members and other participants including, but not limited to any authorization, licensure or registration requirements imposed by the regulatory regime/authority in the home country jurisdiction(s) of the clearing organization, and a description of the process by which the clearing organization confirms compliance with such requirements.

(iii) Financial Integrity. A description of the following:

(A) The financial resource requirements, standards, guides or thresholds required of members and other participants.

(B) The manner in which the clearing organization evaluates the financial resources/holdings of its members or other participants.

(C) The process by which applicants for clearing membership or participation demonstrate compliance with financial requirements including:

(1) CO Working capital and collateral requirements, and

(2) Risk management mechanisms.

(iv) Fit and Proper Standards. A description of any other ways in which the clearing organization ensures that potential members/other participants meet fit and proper standards.

EXHIBIT C – BOARD AND/OR COMMITTEE MEMBERSHIP

Attach, as **Exhibit C**, the following:

- (1) A description of the requirements applicable to membership on the governing board and significant committees of the clearing organization.
- (2) A description of how the clearing organization ensures that potential governing board and committee members meet these standards.
- (3) A description of the clearing organization's provisions to minimize and resolve conflicts of interest with respect to membership on the governing board and significant committees of the clearing organization.
- (4) A description of the clearing organization's rules with respect to the disclosure of material non-public information obtained as a result of a member's performance on the governing board or on a significant committee.

EXHIBIT D – SETTLEMENT AND CLEARING

Attach, as **Exhibit D-1**, the following:

A description of the clearing and settlement systems, including, but not limited to, the manner in which such systems interface with the foreign board of trade's trading system and its members and other participants.

Attach, as **Exhibit D-2**, the following:

A certification, signed by the chief executive officer (or functional equivalent) of the clearing organization, that the clearing system observes (1) the current Recommendations for Central Counterparties that have been issued jointly by the Committee on Payment and Settlement Systems and the Technical Committee of the International Organization

of Securities Commissions, as updated, revised or otherwise amended, or (2) successor standards, principles and guidance for central counterparties or financial market infrastructures adopted jointly by the Committee on Payment and Settlement Systems or the International Organization of Securities Commissions (RCCPs).

Attach, as **Exhibit D-3**, the following:

A detailed description of the manner in which the clearing organization observes each of the RCCPs or successor standards and documentation supporting the representations made, including any relevant rules or written policies or procedures of the clearing organization. Each RCCP should be addressed separately within the exhibit.

EXHIBIT E – THE REGULATORY REGIME GOVERNING THE CLEARING ORGANIZATION IN ITS HOME COUNTRY OR COUNTRIES

With respect to each relevant regulatory regime or authority governing the clearing organization, attach, as **Exhibit E**, the following:

- (1) A description of the regulatory regime/authority's structure, resources, staff and scope of authority.
- (2) The regulatory regime/authority's authorizing statutes, including the source of its authority to supervise the clearing organization.
- (3) A description of and, where applicable, copies of the laws, rules, regulations and policies applicable to:⁷
 - (i) The authorization, licensure or registration of the clearing organization.

⁷ To the extent that any such laws, rules, regulations or policies were provided as part of Exhibit A-4, they need not be duplicated. They may be cross-referenced.

(ii) The financial resource requirements applicable to the authorization, licensure or registration of the clearing organization and the continued operations thereof.

(iii) The regulatory regime/authority's program for the ongoing supervision and oversight of the clearing organization and the enforcement of its clearing rules.

(iv) The extent to which the current RCCPs are used or applied by the regulatory regime/authority in its supervision and oversight of the clearing organization or are incorporated into its rules and regulations and the extent to which the regulatory regime/authority reviews the clearing systems for compliance therewith.

(v) The extent to which the regulatory regime/authority reviews and/or approves the rules of the clearing organization prior to their implementation.

(vi) The regulatory regime/authority's inspection, investigation and surveillance powers; and the program pursuant to which the regulatory regime/authority uses those powers to inspect, investigate, sanction, and enforce rules applicable to the clearing organization.

(vii) The financial protection afforded customer funds.

EXHIBIT F – THE RULES OF THE CLEARING ORGANIZATION AND ENFORCEMENT THEREOF

Attach, as **Exhibit F-1**, the following:

A description of the clearing organization's regulatory or compliance department, including its size, experience level, competencies, duties and responsibilities of staff.

Attach, as **Exhibit F-2**, the following:

A description of the clearing organization's rules and how they are enforced, with reference to any rules provided as part of Exhibit A-5 that require the clearing organization to comply with one or more of the RCCPs.

Attach, as **Exhibit F-3**, the following, to the extent not included in Exhibit F-2:

A description of the clearing organization's disciplinary rules, including but not limited to rules that address the following –

- (1) Disciplinary authority and procedures that empower staff to recommend and prosecute disciplinary actions for suspected rule violations and that provide the authority to fine, suspend, or expel any clearing participant pursuant to fair and clear standards.
- (2) The issuance of warning letters and/or summary fines for specified rule violations.
- (3) The review of investigation reports by a disciplinary panel or other authority for issuance of charges or instructions to investigate further, or findings that an insufficient basis exists to issue charges.
- (4) Disciplinary committees of the clearing organization that take disciplinary action via formal disciplinary processes.
- (5) Whether and how the clearing organization articulates its rationale for disciplinary decisions.
- (6) The sanctions for particular violations and a discussion of the adequacy of sanctions with respect to the violations committed and their effectiveness as deterrents to future violations.

Attach, as **Exhibit F-4**, the following, to the extent not provided in Exhibit F-2:

A demonstration that the clearing organization is authorized by rule or contractual agreement to obtain, from members and other participants, any information and cooperation necessary to conduct investigations, to effectively enforce its rules, and to ensure compliance with the conditions of registration.

EXHIBIT G – INFORMATION SHARING AGREEMENTS AMONG THE COMMISSION, THE FOREIGN BOARD OF TRADE, THE CLEARING ORGANIZATION, AND RELEVANT REGULATORY AUTHORITIES

Attach, as **Exhibit G**, the following:

(1) description of the arrangements among the Commission, the foreign board of trade, the clearing organization, and the relevant foreign regulatory authorities that govern the sharing of information regarding the transactions that will be executed pursuant to the foreign board of trade's registration with the Commission and the clearing and settlement of those transactions. This description should address or identify whether and how the foreign board of trade, clearing organization, and the regulatory authorities governing the activities of the foreign board of trade and clearing organization agree to provide directly to the Commission information and documentation requested by Commission staff that Commission staff determines is needed:

- (i) To evaluate the continued eligibility of the foreign board of trade for registration.
- (ii) To enforce compliance with the specified conditions of the registration.
- (iii) To enable the CFIC to carry out its duties under the Act and Commission regulations and to provide adequate protection to the public or registered entities.

(iv) To respond to potential market abuse associated with trading by direct access on the registered foreign board of trade.

(v) To enable Commission staff to effectively accomplish its surveillance responsibilities with respect to a registered entity where Commission staff, in its discretion, determines that a contract traded on a registered foreign board of trade may affect such ability.

(2) A statement as to whether the regulatory authorities governing the activities of the foreign board of trade and clearing organization are signatories to the International Organization of Securities Commissions Multilateral Memorandum of Understanding. If not, describe any substitute information-sharing arrangements that are in place.

(3) A statement as to whether the regulatory authorities governing the activities of the foreign board of trade and clearing organization are signatories to the Declaration on Cooperation and Supervision of International Futures Exchanges and Clearing Organizations. If not, a statement as to whether and how they have committed to share the types of information contemplated by the International Information Sharing Memorandum of Understanding and Agreement with the Commission, whether pursuant to an existing memorandum of understanding or some other arrangement.

EXHIBIT H – ADDITIONAL INFORMATION AND DOCUMENTATION

Attach, as **EXHIBIT H**, any additional information or documentation necessary to demonstrate that the requirements for registration applicable to the clearing organization or clearing system set forth in Commission regulation 48.7 are satisfied.

EXHIBIT A – GENERAL INFORMATION AND DOCUMENTATION

EXHIBIT A-1

Attach, as Exhibit A-1, a description of the following for the clearing organization: location, history, size, ownership and corporate structure, governance and committee structure, and current or anticipated presence of staff in the United States.

1. Location

Principal Office: 10-7 Nihombashi-horidomecho, 1-chome, Chuo-ku, Tokyo 103-0012 Japan

2. History

JCCH was established on December 24, 2004, to conduct an independent centralized Clearinghouse operation. It is organized as a stock company owned by all Japanese Commodity Exchanges and the Japan Commodity Futures Industry Association which is an association of FCMs.

On May 2, 2005, JCCH started providing clearing and settlement services for the transactions of all commodity exchanges in Japan.

3. Size

JCCH's capital is approximately 634.35 million Yen.

4. Ownership

<u>Shareholders</u>	<u>Shareholding Ratio</u>
Tokyo Commodity Exchange, Inc.	100%

5. Corporate Structure, Governance and Committee Structure

a. General Meeting of Shareholders

b. Board of Directors

The Board of JCCH consists of 9 directors (2 of whom also sit on the Board of Directors) and 3 auditors.

Takaaki Yoshida	CEO, Chairman
Masao Horibe	Executive Vice President
Yuichi Ikemizu	Director
Hiroshi Usami	Director
Tadashi Ezaki	Director

Kazumichi Okachi	Director
Yasuaki Okamoto	Director
Toshitsugu Shimizu	Director
Jitsuo Tataru	Director
Fuminobu Aruga	Auditor
Jun Masuda	Auditor
Kenichi Sasakura	Standing Auditor

c. Committees

JCCH has a Disciplinary Committee with members selected by the President of JCCH.

6. *No U.S. Presence*

JCCH has no offices in the U.S. and does not intend to open a U.S. office.

EXHIBIT A-2

Articles of association, constitution, or other similar organizational documents.

See attached Articles of Incorporation.

ARTICLES OF INCORPORATION

DISCLAIMER:

This English translation is being provided for informational purposes only and represents a desire by the Clearing House to promote better understanding of the Clearing House by non-resident participants. While care has been taken to ensure that the translation is accurate and complete, Japan Commodity Clearing House Co., Ltd. accepts no liability or responsibility for any loss or damages, including trading losses, that may be incurred from any inaccuracy or omission in the English translation. In the event of discrepancies between the English version and the original Japanese version, the Japanese version shall prevail. Any dispute that may arise within or without a court of law with regard to the meaning of the words, provisions and stipulations of the rules, regulations and agreements shall be resolved in accordance with the Japanese texts.

Chapter I. General Provisions

(Trade name)

Article 1. The Company shall be called Kabushiki Kaisha Nihon Shohin Seisan Kiko. In English, it shall be written Japan Commodity Clearing House Co., Ltd and abbreviated JCCH.

(Objectives)

Article 2. The objectives of the Company shall be to engage in the following businesses:

- (1) Business of assuming commodity transaction debts.
- (2) All services associated with or related to the preceding item.

(Location of head office)

Article 3. The Company shall have its head office in Chuo-ku, Tokyo.

(Method of giving public notices)

Article 4. The method of giving public notices of the Company shall be inserted in official gazette.

Chapter II. Shares

(Total number of shares to be issued by the Company)

Article 5. Total number of shares authorized to be issued by the

Company shall be 35,000 shares.

(Not to issue stock certificates)

Article 6. The Company shall not issue stock certificates.

(Restriction on share transfers)

Article 7. Shareholders or buyers must get approval from the Board of Directors to transfer or acquire the Company's shares.

(Claims to sell the Company's shares to heirs)

Article 8. The Company may claim heirs and other general successor(s) to sell inherited Company's shares to the Company.

(Share handling regulations)

Article 9. Unless otherwise provided in laws, ordinances or the Articles of Incorporation, treatment and fees relating to the Company's shares of shareholders shall be pursuant to the rule as prescribed by the Board of Directors.

(Transfer of shares)

Article 10. A transferee and shareholder or his/her general successor must sign or place their signatures and seals on the Company's designated form and jointly apply the form if he/she claims transfer of shares due to acquisition of the shares.

2. If a shareholder or his/her general successor is not able to place the seals registered at JCCH pursuant to Article 14 on the form set forth in the

preceding paragraph, he/she must provide the form with an official registered seal and seal-registration certificate issued within three (3) months.

3. Regardless the provision of Article 10, paragraph 1, the person who obtains the Company's shares may claim transfer of shares independently if he/she submits the document of following items.

(1) Judicial decision to order a shareholder or general successor to express a transfer of shares an acquirer.

(2) Settlement statements and other document having equivalent effects to judicial decision in which a shareholder or general successor expresses a transfer of shares to an acquirer.

(3) Document which certifies the person with first refusal right, who is designated by JCCH, has made payments for the shares to a shareholder or acquirer.

(4) Document which certifies an acquirer is an heir of shareholder and other general successor.

(Registration of the right of pledge and Record of trust asset)

Article 11. if a party claims registration of the right of pledge or record of trust asset for the Company's shares, he/she must submit the form specified by JCCH with his/her signature or signature and seal.

2. In case of the claims in the preceding paragraph, a shareholder shall place the seal registered at JCCH pursuant to Article 14 on the form. If a shareholder is not able to place the seal registered at JCCH, he/she may replace with official registered seal and seal registration certificate issued within three (3) months.

3. Deleting registration of the right of pledge and record of trust asset

complies with preceding two paragraphs.

(Fees)

Article 12. If the Company receives the claims prescribed in the preceding two Articles, it may demand predetermined fees.

(Record date)

Article 13. The company shall treat the shareholders with voting rights appearing or recorded in the final register of shareholders as of March 31 of each year as shareholders entitled to exercise their rights at the ordinary general meeting of shareholders relating to the relevant financial year.

2. Unless otherwise provided for the preceding paragraph, if necessary, the Company, by resolution of the Board of Directors, give a public notice in advance, a shareholder or pledgee of registered shareholder recorded in the final register of shareholders is the one who is entitled to exercise his/her rights.

(Registration of shareholder's address)

Article 14. The Company's shareholders and pledges or his/her statutory agent or representative must notify the Company of name, address and seal in the designated form. If any changes incur, he/she must go through the same procedure.

Chapter IV. General Meetings of Shareholders

(Place to convene general meetings)

Article 15. General meeting of shareholders shall be held at the Company's headquarters or its neighboring area or some other places with the consent of shareholders entitled to vote.

(Convening of general meetings)

Article 16. The ordinary general meeting of shareholders of the Company shall be convened within three (3) months from March 31 of each year and extraordinary general meeting of shareholders shall be convened whenever necessary.

2. Notification of the general meeting of shareholders is announced to each shareholder at least one week prior to the meeting.

(Person to convene general meetings and chairman)

Article 17. A general meeting of shareholders shall be convened by the Representative Director in accordance with the resolution of the Board of Directors. If the Representative Director is unable to act, another Director in the order previously fixed by the Board of Directors shall convene the meetings of shareholders.

2. Chairmanship of such general meeting of shareholders shall be assumed by the Representative Director. If the Representative Director is unable to act, another Director in the order previously fixed by the Board of Directors shall preside over the general meeting.

(Method of adopting resolution)

Article 18. Unless otherwise provided for in laws, ordinances or these Articles of Incorporation, resolutions of the general meeting of shareholders shall be adopted by a majority of the votes of the shareholders present who are entitled to vote.

2. Resolutions as provided for in Article 309, paragraph 2 of the Corporation Law of Japan shall be adopted at a general meeting of shareholders at which shareholders holding one-half (1/2) or more of voting rights of the shareholders entitled to vote shall be present, by two-thirds (2/3) or more of the voting rights of the shareholders so present.

(Exercise of votes by proxy)

Article 19. Shareholders may exercise their votes by proxy who shall be another shareholder of the Company entitled to vote.

2. In the case of foregoing paragraph, the shareholder or the proxy must submit to the Company a document establishing the power of attorney for each general meeting of shareholders.

(Minutes)

Article 20. Outline proceedings and the resultant actions taken at each general meeting of shareholders and such other matters as provided for in laws or ordinances shall be stated or recorded in minutes.

Chapter IV. Directors and Board of Directors

(Set up the Board of Directors)

Article 21. The Company shall establish the Board of Directors

(Authorized number of directors)

Article 22. The company shall have not more than twelve (12)

Directors.

(Election of directors)

Article 23. All of Directors shall be elected by the general meeting of shareholders.

2. Resolutions for the election of Directors shall be adopted at a general meeting of shareholders at which shareholders holding one-half (1/2) or more of voting rights of shareholders entitled to vote shall be present, by a majority of the voting rights of the shareholders so present.
3. Resolutions for the election of Directors shall not be by cumulative voting.

(Term of office)

Article 24. The term of office of Directors shall expire at the close of the ordinary general meeting of shareholders relating to the last of financial years to end within two (2) years after their election. However, the term of office of Directors who were elected in the first fiscal year the Company was incorporated, shall expire at the close of the ordinary general meeting of shareholders relating to the last of financial years to end within a year after their election.

2. The term of office of Directors elected as a result of an increase in their number or to fill vacancies shall be for unexpired balance of the term of office of the Directors currently in office.

(Representative Director and executive directors)

Article 25. The Board of Directors shall, by its resolution, appoint a Representative Director.

2. A Representative Director shall represent the Company and execute business.
3. The Board of Directors shall, by its resolution, appoint a Representative Director, an Executive Vice President, a senior managing director and a managing director.

(Meetings of the Board of Directors)

Article 26. Meeting of the Board of Directors shall be convened and presided by a Representative Director.

2. If the Representative Director is unable to act, another Director in the order previously fixed by the Board of Directors shall convene and preside over meetings of the Board of Directors.
3. Notice for convening a meeting under the foregoing paragraph shall be dispatched to each Director and each Corporate Auditor at least three (3) days prior to the date of the meeting; provided, however, that such period of notice may be shortened in the case of urgent necessity.
4. The meeting of the Board of Directors may be held without having a convening procedure when it has consent of all Directors and Corporate Auditors.
5. Resolutions of the Board of Directors shall be adopted at its meeting at which a majority of the Directors entitled to participate in the resolutions shall be present, by a majority of the Directors so present.
6. Resolutions of the Board of Directors are agreed by all of the Directors via document or electronic records, the Company shall regard them as the resolutions being adopted; provided, however, that any Corporate Auditor expresses dissent.
7. Outline proceedings and resultant actions taken at the meeting of the

Board of Directors and such other matters as provided for in laws or ordinances shall be stated or recorded in minutes and attending Directors and Corporate Auditors shall place their signatures and seal thereon, or e-sign on the minutes.

8. Unless otherwise provided for in laws, ordinances or the Articles of Incorporation, other matters relating to the meeting of Board of Directors shall comply with rules and regulations on the Board of Directors stipulated at the meeting.

(Reduction of liabilities of Directors)

Article 27. The Company may, by resolution of the Board of Directors, exempt any Director (including any former Director) from such liability as provided for in Article 423, paragraph 1 of the Corporation Law of Japan with limits of such amount deducting minimum liability from amount of liability as provided for in laws or ordinances.

2. The Company may enter into an agreement with any outside Director to limit liability that the outside Director shall assume as provided for in Article 423, paragraph 1 of the Corporation Law of Japan; provided however, that amount limit for liability based on this contract shall be the amount of minimum liability stipulated in the Law.

(Remuneration of Directors)

Article 28. Remuneration, bonuses and other proprietary benefits (hereinafter referred to as “remuneration”) Directors may receive from the Company in consideration of the execution of their duties shall be determined by resolution of the general meeting of shareholders.

Chapter V. Corporate Auditors and Board of Corporate Auditors

(Set up Corporate Auditors and Board of Corporate Auditors)

Article 29. The Company shall have Corporate Auditors and Board of Corporate Auditors.

(Authorized number)

Article 30. The Company shall have three (3) Corporate Auditors.

(Method of election)

Article 31. All of Corporate Auditors shall be elected by resolution of general meeting of shareholders.

2. Resolutions for the election of Corporate Auditors shall be adopted at a general meeting of shareholders at which shareholders holding one-half (1/2) or more of voting rights of the shareholders entitled to vote shall be present, by a majority of the voting rights of the shareholders so present.

(Term of office)

Article 32. The term of office of Corporate Auditors shall expire at the close of the ordinary general meeting of shareholders relating to the last of the financial years to end within four (4) years after election.

2. The term of office of Corporate Auditors elected to fill vacancies created by the retirement of Corporate Auditors before the expiration of their term of office shall be for the unexpired balance of the term of office of the retirees.

(Full-time Corporate Auditors)

Article 33. The Board of Corporate Auditors shall appoint a Corporate Auditor from Corporate Auditors to serve on a full-time basis.

(Meetings of the Board of Corporate Auditors)

Article 34. The meeting of the Board of Corporate Auditors shall be convened by each Corporate Auditor.

2. Notice for convening a meeting under the foregoing paragraph shall be dispatched to each Corporate Auditor at least three (3) days prior to the date of the meeting; provided, however, that such period of notice may be shortened in the case of urgent necessity.
3. The meeting of the Board of Corporate Auditors may be held without having a convening procedure when it has consent of all of the Corporate Auditors.
4. Unless otherwise provided for laws, ordinances or these Articles of Incorporation, resolutions of the Board of Corporate Auditors shall be adopted at its meeting at which a majority of Corporate Auditors.
5. Outline proceedings and resultant actions taken at the meeting of the Board of Corporate Auditors and such other matters as provided for in laws or ordinances shall be stated or recorded in minutes and attending Corporate Auditors shall place their signatures and seal thereon, or e-sign on the minutes.
6. Unless otherwise provided for in laws, ordinances or the Articles of Incorporation, other matters relating to the meeting of Board of Corporate Auditors shall comply with rules and regulations on the Board of Corporate Auditors stipulated at the meeting.

(Exemption of liabilities of Corporate Auditors)

Article 35. The Company may, by resolution of the Board of Directors, exempt any Corporate Auditor (including any former Corporate Auditor) from such liability as provided for in Article 423, paragraph 1 of the Corporation Law of Japan with limits of such amount deducting minimum liability from amount of liability as provided for in laws or ordinances.

2. The Company may enter into an agreement with any outside Corporate Auditor to limit liability that the outside Corporate Auditor shall assume as provided for in Article 423, paragraph 1 of the Corporation Law of Japan; provided however, that amount limit for liability based on this contract shall be the amount of minimum liability stipulated in the Law.

(Remuneration)

Article 36. Remuneration Corporate Auditor may receive from the Company shall be determined by resolution of the general meeting of shareholders.

Chapter VI. Account Auditor

(Having Account Auditor)

Article 37. The Company shall have an Account Auditor.

(Method of election)

Article 38. An Account Auditor shall be elected by the general meeting of shareholders.

(Term of office)

Article 39. The term of office of Account Auditor shall expire at the close of the ordinary general meeting of shareholders relating to the last of the financial years to end within one (1) year after election.

2. An Account Auditor shall be regarded as re-elected unless otherwise any resolution provided at the general meeting of shareholders of the preceding paragraph were raised.

(Remuneration)

Article 40. Remuneration an Account Auditor may receive from the Company shall be determined by a Representative Director with consent of the Board of Corporate Auditors.

Chapter VII. Accounts

(Financial year)

Article 41. The financial year of the Company shall be commencing on April 1 of each year and ending on March 31 of the following year.

(Distribution of retained earnings)

Article 42. The Company shall pay year-end dividends to the shareholders appearing or recorded in the final register of shareholders of March 31 of each year.

2. The Company may set the record date to pay dividends other than the case prescribed in the preceding paragraph.
3. If any dividend remains unreceived upon the expiration of three (3) full years from the day on which such any dividend became due and payable, the Company shall be relieved of the obligation to pay such any dividend.
4. No interest rates are charged to dividends.

Supplementary Provisions for Implementation of Articles of Incorporation

Article 1. The amendments to Article 5 (Total number of shares to be issued by the Company) and Article 6 (Contents of preferred stocks), paragraph 3 of these Article of Incorporation were adopted by the resolution at the extraordinary general meetings of shareholders of the Company held on March 31, 2006. The MAFF, Ministry of Agriculture, Forestry and Fisheries and the METI, Ministry of Economy, Trade and Industry, authorized the amendments on April 26, 2006.

Article 2. The amendments to relevant provisions due to enforcement of “Companies Act” and “Act on Arrangement of Relevant Acts Incidental to Enforcement of the Companies Act” (Ordinances of No.86 and 87 of 2005) of the Articles of Incorporation were adopted by the resolution at the ordinary general meeting of shareholders of the Company held on June 26, 2006. The MAFF and METI authorized them on July 3, 2006.

Article 3. The amendments to Article 5 (Total number of shares to be issued by the Company), Article 6 (Contents of preferred stocks), paragraphs 3 and 4 and Article 7, paragraph 2 (Distribution of residual property) of the Article of Incorporation were adopted by the resolution at the extraordinary general meeting of shareholders of the Company held on March 20, 2007. The MAFF and METI authorized them on March 26, 2007.

Article 4. A new provision of Article 6, paragraph 2 (Acquisition of all of the preferred stocks), and the amendments to Article 7 (Distribution of residual property) of the Article of Incorporation were adopted by the resolutions at held at the Company’s ordinary general meeting of shareholders and class meetings of pertaining to each class I , II, III, and IV preferred stocks held on June 30, 2011. The MAFF and METI authorized

them on July 8, 2011.

Article 5. Based on the resolutions at the extraordinary general meetings of shareholders of the Company held on December 21, 2011, the Article 5 (Total number of shares to be issued by the Company) was amended, Article 6 (Contents of preferred stocks), Article 6, paragraph 2 (Acquisition of all of the preferred stocks) and Article 7 (Distribution of residual property) were deleted from the Articles of Incorporation. As a result of deleting the provisions, Article 8 and Article 9 shall move forward to Article 6 and Article 7. New provisions of Article 8 (Claims to sell the Company's shares to heirs) and Article 9 (Share handling regulations) were created. The MAFF and METI authorized them on December 27, 2011.

EXHIBIT A-3

(1) Membership and participation agreements.

(2) Clearing agreements.

See attached Application for Acquisition of Clearing Qualification.

Exhibit A-3(1) – Membership Agreement

Exhibit A-3(1) – Participation Agreement

CLEARING PARTICIPATION AGREEMENT

Date:

TO: Mr.	FROM: [Trade Name or Name]
CEO, Chairman	[Address]
Japan Commodity Clearing House Co., Ltd.	[Name of Representative] [seal]

This Company hereby consents the following as a Clearing Participant of the Japan Commodity Clearing House ("JCCH"):

1. This Company shall conduct itself in accordance and compliance with the provisions of the Business Rules and other rules and regulations as currently promulgated by JCCH (collective "Rules and Regulations") or such as may be established or amended in the future.
2. This Company shall comply with any revocation of Clearing Qualification, suspension of assuming obligations or other actions imposed by JCCH pursuant to the Rules and Regulations.
3. At the time of concluding the Agreement, JCCH(including executives and the person who engages in management of JCCH) confirms an applicant falls into neither any of the items (1) through (5) nor Boryokudan (organized crime), members of organized crimes, persons who have withdrawn from Boryokudan less than five years, Boryokudan jun koseiin (quasi-members of Boryokudan), Boryokudan-related company, Sokaiya (corporate racketeers), Kaisha goro (corporate racketeers), Shakai undo etc. hyobo goro (those forces claiming to be social movements) or Tokushu chino boryoku shudan etc. (special intellectual violent organizations) and others which are equivalent to any of prescribed organized crimes. If JCCH finds its clearing participant has a relation with organized crimes against JCCH's policy over the future, JCCH may suspend a Clearing Qualification without notification.
 - (1) An applicant and/or clearing participant of which company's management is controlled by members of Boryokudan
 - (2) An applicant and/or clearing participant of which company's management is practically involved by members of Boryokudan

Form 2
(For Use by Foreign Corporations)

- (3) An applicant and/or clearing participant who has a relation with members of Boryokudan to use them wrongfully with aims to gain fraudulent profits from or cause damage to JCCH or the third parties
 - (4) An applicant and/or clearing participant who provides financial resources to members of Boryokudan or is committed to provide favors to them
 - (5) An applicant and/or clearing participant whose executives or management have a relationship with members of Boryokudan and other crime syndicates, which results in coming under fire from society.
4. This Company shall be fully responsible in the event that its Clearing Qualification is relinquished, and shall not, in any manner whatsoever, cause inconvenience to JCCH, other Clearing Participants or its Designated Clearing Participant in connection therewith.
5. If notice is received from JCCH concerning a change of contractual terms or conditions, failure of this Company to object to the proposed change by the prescribed time shall be construed as a consent to such change.
6. All notifications between JCCH and this Company (including documentation that is exchanged between the parties hereto) shall be prepared in the Japanese language, and any amounts shall be denominated in Japanese currency.
7. Any and all lawsuits arising between this Company and JCCH shall be under the exclusive jurisdiction of Tokyo District Court.

End

<p>REGARDLESS OF THIS ENGLISH AGREEMENT ABOVE, THE ORIGINAL JAPANESE TEXT HEREOF SHALL GOVERN FOR ALL PURPOSES AND IN ALL RESPECTS.</p> <p>THIS ENGLISH TEXT INTENDED AS CONVENIENCE FOR USERS, WHOSE FIRST LANGUAGE IS NOT JAPANESE. THIS TEXT IS FURNISHED WITHOUT RESPONSIBILITY FOR ACCURACY AND IS ACCEPTED BY THE USER ON THE CONDITION THAT TERM OF USE OR CURRENT STATUS OF THE LAW SHALL NOT BE MADE THE BASIS FOR ANY CLAIM, DEMAND OR CAUSE FOR ACTION OUTSIDE OR INSIDE A LAW COURT AGAINST JAPAN COMMODITY CLEARING HOUSE CO., LTD ("JCCH").</p> <p>BESIDES, JAPANESE TEXT IS NECESSARY FOR THOSE WHO SUBMIT THIS AGREEMENT.</p>

Form 2
(For Use by Foreign Corporations)

Exhibit A-3(2) – Clearing Agreements

EXHIBIT A-4

The national statutes, laws and regulations governing the activities of the clearing organization and its members.

See <http://www.japaneselawtranslation.go.jp/law/detail/?id=1899&vm=04&re=02>

See also attached binder - Commodity Exchange Act (Act No. 239 of August 5, 1950) (Japan).

EXHIBIT A-5

The current rules, regulations, guidelines and bylaws of the clearing organization.

See http://www.jcch.co.jp/i/i_b.html

EXHIBIT A-6

Evidence of the authorization, licensure or registration of the clearing organization pursuant to the regulatory regime in its home country jurisdiction(s) and a representation by its regulator(s) that it is in good regulatory standing in the capacity in which it is authorized, licensed or registered.

See Exhibit A-7 and Exhibit F(5) of the Foreign Board of Trade Application for Registration.

EXHIBIT A-7

A summary of any disciplinary or enforcement actions or proceedings that have been brought against the clearing organization, or any of the senior officers thereof, in the past five years and the resolution of those actions or proceedings.

No disciplinary or enforcement actions or proceedings have been brought against JCCH or any of the senior officers thereof in the past five years.

EXHIBIT A-8

An undertaking by the chief executive officer(s) (or functional equivalent[s]) of the clearing organization to notify Commission staff promptly if any of the representations made in connection with or related to the foreign board of trade's application for registration cease to be true or correct, or become incomplete or misleading.

See attached.

I, _____, _____ of Japan Commodity Clearing House (JCCH), undertake to notify the U.S. Commodity Futures Trade Commission if any of the representations made in connection with or related to the _____ application for registration cease to be true or correct, or become incomplete or misleading.

[Signature]

Name: _____

Title: _____

Date: _____

EXHIBIT B – MEMBERSHIP CRITERIA

EXHIBIT B(1)

A description of the categories of membership and participation in the clearing organization and the access and clearing privileges provided to each by the clearing organization.

Clearing Participants of JCCH are designated either as “Individual Clearing Participants” or “General Clearing Participants” for each designated commodity market. Individual Clearing Participants can accept and clear trades on their own behalf or on behalf of their customers. General Clearing Participants may accept and clear trades on their own behalf, on behalf of their customers and on behalf of non-clearing participants.

EXHIBIT B(2)(i)

A description of all requirements for each category of membership and participation and the manner in which members and other participants are required to demonstrate their compliance with these requirements. The description should include, but not be limited to, the following:

A description of the specific professional requirements, qualifications, and/or competencies required of members or other participants and/or their staff and a description of the process by which the clearing organization confirms compliance with such requirements.

Prior to being approved as a Clearing Participant, JCCH conducts an examination of each prospective Clearing Participant's books and records according to the rules and regulations set out in the JCCH Business Rules. JCCH also evaluates each applicant's risk management system, business operations and financial condition for compliance with the requirements in the JCCH Business Rules. Specifically, in order to be eligible for designation as a Clearing Participant, an applicant is required, *inter alia*, to have a membership or other qualification at a designated commodity exchange that maintains a market in which such applicant may conduct clearing operations; to have business or administrative offices in Japan; and to have implemented a sound risk management system and a business operation system that enable the applicant to properly conduct business activities.

EXHIBIT B(2)(ii)

A description of any regulatory or self-regulatory authorization, licensure or registration requirements that the clearing organization imposes upon, or enforces against, its members and other participants including, but not limited to any authorization, licensure or registration requirements imposed by the regulatory regime/authority in the home country jurisdiction(s) of the clearing organization, and a description of the process by which the clearing organization confirms compliance with such requirements.

See response to Exhibit B(2)(i).

EXHIBIT B(2)(iii)

A description of the following:

(A) The financial resource requirements, standards, guides or thresholds required of members and other participants.

The Business Rules of JCCH establish minimum financial requirements for Clearing Participants of JCCH.⁸ An entity applying to become a General Clearing Participant of JCCH must satisfy the following financial requirements (both as a matter of qualification and maintenance):

- Capital Requirement: 300 million Japanese yen, or approximately US\$2,946,750
- Net Asset Requirement
 - If an applicant's net assets total at least 5 billion Japanese yen, or approximately US\$49,112,500, it can enter into Clearing Agreements with up to five non-clearing participants.
 - If an applicant's net assets total at least 10 billion Japanese yen, or approximately US\$98,225,100, it can enter into Clearing Agreements with up to ten non-clearing participants.
 - If an applicant's net assets total at least 20 billion Japanese yen, or approximately US\$196,450,000, there is no limit as to the number of non-clearing participants with which it can enter into Clearing Agreements.
- Net Asset Ratio Requirement (for brokers): 200 percent

An entity applying to become an Individual Clearing Participant of JCCH must satisfy the following financial requirements:

- Capital Requirement: 300 million Japanese yen, or approximately US\$2,946,750
- Net Asset Requirement: 2 billion Japanese yen, or approximately US\$19,645,000, to qualify (and 1 billion Japanese yen, or approximately US\$9,822,510, for maintenance)
- Net Asset Ratio Requirement (for FCMs): 200 percent to qualify (and 140 percent for maintenance)

There are lower minimum requirements, based on the particular commodity market, for "Commercials" (those who engage commercially in buying and selling of Underlying Commodities, act commercially as intermediaries, intermediaries or agents for buying and selling, or engage commercially in production, processing or use of such goods on a continuous basis for the commodities markets of the Exchange (rubber, precious metals, oil and aluminum)) who have experience in spot transactions. Additionally, the Net Asset Requirement is divided in half for those who establish a Loss Cut in their electronic systems (to try to prevent losses over a limit specified by each customer).

⁸

A complete list of JCCH Clearing Participants is available at http://www.jcch.co.jp/i/i_d.html.

(B) The manner in which the clearing organization evaluates the financial resources/holdings of its members or participants.

JCCH traditionally employs a system of risk management in which the financial position or cash flows, as well as relevant qualitative information, of individual Clearing Participants are closely monitored so as to reduce the risk of insolvency. In December 2009, JCCH introduced a Credit Value-at-Risk (VaR) approach that enables JCCH to measure the total amount of credit risk to which it is exposed. Each business day, JCCH measures the amount of risk and performs simulations in which the credit risk may result. JCCH will continue to examine and conduct required countermeasures for the purpose of eliminating counterparty risks. JCCH also monitors Broker Members based on their knowledge of the amount of risk and the short-term liquidity cash of Broker Members as of the end of each month across designated commodity exchanges.

JCCH also conducts on-site audits/inspections of market participants. JCCH's focus with regard to such on-site audits is to examine the financial standing of clearing participants.

(C) The process by which applicants for clearing membership or participation demonstrate compliance with financial requirements, including:

- (1) CO Working capital and collateral requirements, and**
- (2) Risk management mechanisms.**

As noted in response to Exhibit B(2)(i), prior to being approved as a Clearing Participant, JCCH conducts an examination of an applicant's books and records, risk management systems and financial condition. This review includes a review of whether applicants meet the financial standards set forth in JCCH rules. *See also* Exhibit B(2)(iii).

EXHIBIT B(2)(iv)

Fit and Proper Standards. A description of any other ways in which the clearing organization ensures that potential members/other participants meet fit and proper standards.

See response to Exhibit B(2)(i).

EXHIBIT C – BOARD AND/OR COMMITTEE MEMBERSHIP

EXHIBIT C(1)

A description of the requirements applicable to membership on the governing board and significant committees of the clearing organization.

Board of Directors

JCCH's Board is composed of at least twelve Directors. JCCH Directors may be disqualified under the Company Act and other related laws.

Committees

JCCH has a Disciplinary Committee with members selected by the President of JCCH. The President selects members of the Committee from among experts such as lawyers, certified public accountants, industry experts, and relevant academics.

EXHIBIT C(2)

A description of how the clearing organization ensures that potential governing board and committee members meet these standards.

JCCH verifies that potential directors are deemed appropriate for the Board by reviewing the individual's curriculum vitae and any others relevant information. Staff within JCCH's General Affairs Department assist in this review.

Disciplinary Committee members are selected by the President of JCCH. The President reviews the individual's curriculum vitae and other relevant information.

EXHIBIT C(3)

A description of the clearing organization's provisions to minimize and resolve conflicts of interest with respect to membership on the governing board and significant committees of the clearing organization.

The policies the Board of Directors and the Disciplinary Committee proscribe that any participants with a special interest in a resolution may not participate in the vote on such matter.

EXHIBIT C(4)

A description of the clearing organization's rules with respect to the disclosure of material non-public information obtained as a result of a member's on the governing board or on a significant committee.

The policies of the Board of Directors and the Disciplinary Committee require that participants refrain from disclosing any confidential information to third parties.

EXHIBIT D – SETTLEMENT AND CLEARING

EXHIBIT D-1

A description of the clearing and settlement systems, including, but not limited to, the manner in which such systems interface with the foreign board of trade's trading system and its members and other participants.

Both TOCOM and JCCH have a role in the clearing of Listed Commodities. The clearing process starts with entry of trades into the NOMX SECUR clearing system at TOCOM.

Procedures by TOCOM

TOCOM confirms positions, calculates net profit/loss and required margin using the NOMX SECUR clearing system and other peripheral systems provided by NTTD. Results are reported to JCCH. The clearing period starts from the night session in the previous business day (JST 5:00 pm) until the end of the day session (JST 3:30 pm). Information on transactions executed on CLICK XT is automatically transferred to SECUR, which manages all information on executed transactions. The customer type indicator and the open/close indicator are designated when the order is placed, but each can be corrected within 30 minutes (or 15 minutes for options transactions) through an error correction process. A give-up process requires application to and approval from TOCOM in advance.⁹

TOCOM calculates settlement prices after the close of a day session and submits the information to JCCH. Positions of each Member are finalized after the close of a day session (at 3:30 pm) subject to a period of time for error correction (30 minutes for futures and 15 minutes for options). Subsequently, SECUR and the peripheral systems carry out the mark-to-market process (e.g., calculation of net profit/loss, transaction fees). The mark-to-market data are sorted by member and by market and transmitted to JCCH. SECUR and the peripheral systems also calculate margins separately. The margin data, sorted by member, commodity market, and customer type indicator, are transmitted to JCCH. Both mark-to-market and margin calculation processes by TOCOM are normally completed before the start of the night session.

Procedures by JCCH – Mark-to-Market

JCCH performs calculations of netted amounts based on the mark-to-market data received from each commodity exchange using the system provided by NTT Data. Based on the results, JCCH completes settlement by noon of the following business day (T+1) by paying and receiving profit and loss as a result of a mark-to-market process, option premiums and various fees to and from Clearing Participants.

⁹ Notice of a give-up/take-up must be made within 30 minutes (or 15 minutes for options transaction) after the close of a session. Back-dated give up is available through third business day from the date of the transaction. For give-ups, it is possible to specify the party to which the transaction is to be transferred when the order is placed. The process of give-up notification is initiated by an executing broker when the broker identifies the contract on the screen and is completed when the clearing broker approves the give-up. If the transaction is not taken up within the predetermined time period, the transaction remains with the executing broker.

The process starts with JCCH's receipt of mark-to-market data from each exchange at approximately 4:00 pm to 5:30 pm on T+0. Based on this data, JCCH executes the netting process. First, for each exchange, the data of non-clearing participants is aggregated with those of designated Clearing Participants of such non-clearing participants (*i.e.*, the process of aggregating the profit and loss of Clearing Participants for each exchange). For Clearing Participants that carry positions at multiple exchanges, further netting calculation is performed to include the profit and loss incurred at other exchanges.

Based on the results of the above calculation, JCCH requests a settlement bank to deposit and refund margins, and to make payments and collection of the netted profit/loss amounts. Instructions regarding the net loss (*e.g.*, automatic deduction from the bank account of the relevant Clearing Participant) are given by 7:00 pm on T+0 via data transmission. The automatic deduction is completed by noon of T+1. Instructions regarding the net profit (*e.g.*, electronic funds transfer on an aggregate basis from the bank account of JCCH to the bank account of the relevant Clearing Participant) are given at 8:30 am on T+1 by data transmission. A Clearing Participant can confirm the results of marked-to-market calculations on the system of JCCH on T+0.

Procedures by JCCH – Margin

Clearing Participants notify JCCH with regard to the required amount of clearing margin based on the classification of the relevant account (*i.e.*, proprietary accounts, customer accounts and non-clearing participant accounts) by 7:00 pm on T+0.

The process begins with JCCH receiving margin data from each exchange from 4:00 pm to 5:30 pm on T+0. JCCH then aggregates all such data for each Clearing Participant. JCCH will compare the aggregated margin data with the required amount of clearing margin to confirm that the amount of the latter is larger than the former. If there is any deficiency with the required amount, Clearing Participants are required to deposit an amount to make up the deficiency by noon of T+1.

Upon request from a Clearing Participant, JCCH will complete the process for accepting/returning margins by noon of T+1. If the margins are deposited in cash, JCCH instructs the direct debit to the bank; if in the form of securities, JCCH instructs Daiko Clearing Services Corporation to accept/return the substitute securities.

Risk Management

Settlement-related risk management is conducted by both JCCH and TOCOM. To eliminate counterparty risk among Clearing Participants, JCCH has implemented risk control techniques in its credit risk management. JCCH traditionally employs a system of risk management in which the financial position or cash flows, as well as relevant qualitative information, of individual Clearing Participants are closely monitored so as to reduce the risk of insolvency. In December 2009, JCCH introduced a Credit VaR approach that enables JCCH to measure the total amount of credit risk to which it is exposed. Each business day, JCCH measures the amount of risk and

performs simulations in which the credit risk may result. JCCH will continue to examine and conduct required countermeasures for the purpose of eliminating counterparty risks.

As part of TOCOM's risk management procedures, the Exchange quantifies and monitors its market-related credit loss exposure on a daily basis. TOCOM and JCCH also monitor Broker Members based on their knowledge of the amount of risk and the short-term liquidity cash of Broker Members as of the end of each month across designated commodity exchanges. In addition, TOCOM requires regular reporting by its Members regarding their financial position, and monitors Members based on such information (and may conduct detailed examinations, as necessary).

TOCOM, JCCH and Regulating Authorities also conduct on-site audits/inspections of market participants. TOCOM's main focus in conducting periodic on-site audits is to ensure the fairness of transactions in the commodity futures markets. TOCOM participates in the audit of Broker Members, conducted jointly by the exchanges, JCCH, the national futures protection fund and the Commodity Futures Association of Japan ("Joint Audit"), and separately conducts audits of its Trade Members. TOCOM has the authority to perform an on-site examination when it deems necessary.

JCCH's focus with regard to such on-site audits is to examine the financial standing of clearing participants. JCCH takes part in the Joint Audit and has the authority to perform *ad hoc* on-site audits when it deems necessary.

Regulating Authorities have the authority to perform on-site inspections of Exchange Members, Clearing Participants, brokers and other market participants and to inspect such entities' books and other materials related to their business, pursuant to Articles 157, 184 and 231 of the CDA.

Margin System

The commodity markets in Japan introduced the SPAN margining system in January 2011. Through SPAN margins JCCH captures the price volatility risk in each market. Clearing participants are required to deposit margin corresponding to the price fluctuation risk of positions being held. JCCH periodically reviews price scan ranges and intra-commodity spread charges, calculates and disseminates SPAN parameters, and also determines SPAN parameters that require no periodic review (such as delta weight and option theoretical price calculation).

JCCH requires margin to be calculated using SPAN. Clearing Participants calculate the margins required for their portfolios daily by downloading from the JCCH website or other websites the SPAN risk parameter files generated by JCCH (*i.e.*, the data needed for the SPAN calculation), feed this data either into the CME-developed SPAN calculation software (PC-SPAN) or into Clearing Participants' independently-created own systems, and entering their portfolios.

Clearing Participants are required to maintain as the clearing margin maintenance amount the above margin requirement, plus a delivery clearing margin established by the individual exchanges.

Margins on transactions for own account

JCCH will calculate the maintenance margin amount for each Clearing Participant's own account. Clearing Participants will have to deposit an amount not less than the clearing margin maintenance amount.

Margins on transactions for customer accounts

Clearing Participants are required to calculate and collect the margin maintenance amount for each customer. To this end, portfolios must be entered for each customer. Moreover, for the customer margin portion, Clearing Participants must advise JCCH of the aggregate total of all customer margin maintenance requirements and deposit a sum not less than such amount with JCCH.

Default Remedies and Procedures

JCCH

When a Clearing Participant fails to deposit funds required by JCCH by the prescribed deadline, such Clearing Participant is deemed to be in default. JCCH considers such a Clearing Participant insolvent and will no longer accept transactions undertaken by such Clearing Participant. When open positions held for customers by the insolvent Clearing Participant are transferred, based on the agreement between the parties, to other Clearing Participants in good standing, customer margin deposits will also be transferred. If such transfer will not take place, then open positions will be liquidated. In order to address a cash flow issue in the event a Clearing Participant's default, JCCH has entered into a "line of credit" agreement with its designated clearing banks as a backup measure to maintain operations.

When JCCH suffers a loss as a result of a Clearing Participant's default, JCCH is compensated in the applicable commodity market according to the following order:

- (i) The clearing margin deposited by the defaulting Clearing Participant in its house account for the designated commodity market; the Clearing Funds deposited by the defaulting Clearing Participant; and any other funds on deposit by the defaulting Clearing Participant; any clearing margin for customer accounts to which the defaulting Clearing Participant has a claim.
- (ii) The special Clearing Funds deposited by the defaulting Clearing Participant.
- (iii) Any Guarantee Funds the defaulting Clearing Participant has on deposit with any of the designated commodity markets.
- (iv) The "default compensation reserve" established by JCCH from its surplus.
- (v) Money received by the Exchange as compensation for an indemnified loss through a third-party insurer or reserve funds.

- (vi) The Clearing Funds of other Clearing Participants involved in the commodity market in which the default took place.
- (vii) Assessment determined by JCCH against non-defaulting Clearing Participants.

TOCOM

Under TOCOM Market Rules, when a Broker Member defaults, TOCOM may transfer the customer positions managed by such Broker Member to other Broker Members, in accordance with the agreement between the parties involved. When a Broker Member, Trade Member or Remote Trade Member defaults, the Exchange will deem all positions held by such Member as defaulting positions (other than those positions transferred according to the preceding sentence) and settle such positions by dividing into “defaulting non-delivery positions” and “defaulting delivery positions.”

Procedure for defaulting non-delivery positions. TOCOM will first net non-delivery positions in the same contract month at the price determined by the Exchange. TOCOM will then request its members, who are also JCCH’s Clearing Participants, to accept the remaining defaulting non-delivery positions according to the terms of the assignment (volume and price). If no Member agrees to accept such defaulting non-delivery positions, TOCOM will, after determining the amount of additional compensation pertaining to such defaulting non-delivery positions, request its Members to accept such positions with the additional compensation.

Procedure for defaulting delivery positions. To the extent possible, the Exchange will have a Member to effect delivery when a defaulting party is capable of conducting delivery. TOCOM will then net delivery positions at the delivery price determined by the Exchange. With respect to the remaining defaulting delivery positions, TOCOM will request its Members that agree to accept remaining positions according to the terms of the assignment (volume and price) to effect delivery. If no Member agrees to accept such defaulting delivery positions, TOCOM will, after determining the amount of additional compensation pertaining to such defaulting delivery positions, settle the defaulting delivery positions and the opposing non-defaulting delivery positions at the delivery price.

Safety Net

JCCH and TOCOM jointly provide a safety net to deal with the default of a Clearing Participant. A defaulting Clearing Participant’s obligations would be satisfied by using the following resources, for each market of each exchange (in the case of TOCOM, the precious metals, oil and rubber markets).

- (i) First, funds contributed by the defaulting Clearing Participant are used, including clearing margins and Clearing Funds of the defaulting Clearing Participant deposited at JCCH and the Guarantee Fund deposited at TOCOM by the defaulting Clearing Participant (“defaulters pay arrangement”).
- (ii) Next, funds secured by JCCH and TOCOM from sources other than the defaulting Clearing Participant are used to satisfy the obligations, including JCCH’s default reserve (2 billion yen), TOCOM’s security reserve fund against default (2.1 billion yen, comprised of

TOCOM surplus funds), and default insurance claims of TOCOM (5 billion yen, subject to a 5 billion yen deductible). These funds are secured for the purpose of mitigating the liability of Clearing Participants other than the defaulting Clearing Participant for compensating for the losses by default (“third parties pay arrangement”).

(iii) Finally, if the sources of funds listed above are insufficient to cover the losses, funds contributed by Clearing Participants other than the defaulting Clearing Participant are used, including ordinary clearing funds and other assessment determined by JCCH (“survivors pay arrangement”).

Safety Net for JCCH and TOCOM (as of March 31, 2013)

JCCH	Clearing margins (combining margins deposited by all Clearing Participants in all markets)	154.4 billion yen
	Clearing Funds (combining funds deposited by all Clearing Participants in all markets)	9.3 billion yen
	Net Asset (including default reserve of 2 billion yen)	3.2 billion yen
TOCOM	Guarantee Funds (combining funds deposited by all Members)	0.27 billion yen
	Security Reserve Funds against Default	2.1 billion yen
	Default Insurance	5 billion yen (5 billion yen deductible)

EXHIBIT D-2

A certification, signed by the chief executive officer (or functional equivalent) of the clearing organization, that the clearing system observes (1) the current Recommendations for Central Counterparties that have been issued jointly by the Committee on Payment and Settlement Systems and the Technical Committee of the International Organization of Securities Commissions, as updated, revised or otherwise amended, or (2) successor standards, principles and guidance for central counterparties or financial market infrastructures adopted jointly by the Committee on Payment and Settlement Systems or the International Organization of Securities Commissions (“RCCPs”).

See attached.

[JCCH Letterhead]

I, Takaaki Yoshida, CEO, Chairman of the Japan Commodity Clearing House ("JCCH"), certify to the U.S. Commodity Futures Trade Commission that JCCH's clearing system observes the current Recommendations for Central Counterparties that have been issued jointly by the Committee on Payment and Settlement Systems and the Technical Committee of the International Organization of Securities Commissions, as updated, revised or otherwise amended.

吉田 高明

[Signature]

Name: Takaaki Yoshida

Title: CEO, Chairman

Date: July 10, 2013

EXHIBIT D-3

A detailed description of the manner in which the clearing organization observes each of the RCCPs or successor standards and documentation supporting the representations made, including any relevant rules or written policies or procedures of the clearing organization. Each RCCP should be addressed separately within the exhibit.

JCCH prepared a self-assessment dated October 31, 2013 of its observation of the Principles for Financial Market Infrastructures (PMFI).

See JCCH's self-assessment, immediately below.

See, also attached letter signed by the Ministry of Agriculture, Forestry and Fisheries and the Ministry of Economy, Trade and Industry certifying that JCCH is in compliance with the PMFI.

Status of Compliance with the New Standard “Principles for Financial Market Infrastructures”

This document presents our tentative evaluation regarding the Company’s status of compliance with the new principles and the evaluation results are subject to change as the details of the new principles will be clarified going forward.

Principle 1: Legal basis

An FMI should have a well-founded, clear, transparent, and enforceable legal basis for each material aspect of its activities in all relevant jurisdictions.

-> Compliance requirements are satisfied.

- Business of Assuming Commodity Transaction Debts is mainly governed by the Commodity Derivatives Act (hereinafter referred to as the “Act”), which prescribes approval, regulations, and supervision of Business of Assuming Commodity Transaction Debts, rights and interests in financial instruments, the finality of settlement, netting, collateral (clearing fund and margin), the default handling procedure, etc.
- The Business of Assuming Commodity Transaction Debts carried on by JCCH is prescribed in Article 2 of the Act and JCCH has obtained a license from the competent minister pursuant to the provisions of Article 167 of the Act.
- JCCH is also required to execute its business in accordance with the Business Rules under Article 175 of the Act. The Business Rules of JCCH prescribe necessary matters including subject to clearing transactions (Article 2), clearing participation agreement (Article 11), assumption of obligations (Article 45), responsibility of JCCH to perform obligations (Article 48), finality of settlement (Article 53), clearing margins (Article 60 of the Business Rules and the Clearing Margin Rules pursuant to Article 179 of the Act), clearing funds (Articles 61 and 62 and the Regulations for Clearing Funds pursuant to Article 180 of the Act) and default handling procedure (Articles 68 through 75 and the Regulations for Business Rules pursuant to Article 181 of the Act). Therefore, the regulations, procedures and contracts of JCCH are considered to be legally effective. For this reason, it is highly probable that acts of JCCH will not be denied after the fact.
- The effectiveness of the default handling procedure carried out by JCCH in accordance with its Business Rules is considered to be secured by the provisions of Article 58 of the Bankruptcy Act.
- The applicable laws and regulations as well as the regulations of JCCH have been published and are made easily available to participants and the general public.
- None of the clearing participants of JCCH is a cross-border participant (a person who is a foreign financial institution, etc. engaging in the management of accounts, etc. at a business office located outside Japan). Therefore, there is basically no risk arising from potential legal conflicts between different jurisdictions.

Principle 2: Governance

An FMI should have governance arrangements that are clear and transparent, promote the safety and efficiency of the FMI, and support the stability of the broader financial system, other relevant public interest considerations, and the objectives of relevant stakeholders.

-> Compliance requirements are satisfied as we have governance in compliance with the Companies Act.

- JCCH clearly indicates its commitment to the secure performance of settlements, its public mission, etc., in the “Management Policy and Charter of Corporate Behavior” approved by the board of directors.

- JCCH is a stock company incorporated under the Companies Act and has established the board of directors and the board of corporate auditors. The corporate governance mechanism of the Company consists of the general meeting of shareholders, the board of directors, and the board of corporate auditors. The summary outline of the mechanism is disclosed widely to the public in the form of an organization chart on our website.
- The general meeting of shareholders, as the highest decision-making body, decides on the basic matters such as change in the articles of incorporation and distribution of surplus and has the power to elect and dismiss directors and corporate auditors, which is prescribed in the articles of incorporation.
- The board of directors is responsible for making business execution decisions, the election and dismissal of the representative director, and the supervision of the execution of duties by directors and its powers are prescribed in the articles of incorporation, the board of directors regulations, the Business Rules, etc.
- The board of corporate auditors has the power to conduct operational audit in addition to the power to conduct accounting audit in order to audit the overall execution of duties by directors and its powers are prescribed in the articles of incorporation, the board of corporate auditors regulations, etc.
- The establishment of a CCP requires the authorization of the competent minister under the Commodity Derivatives Act and the authorization standards require the CCP to have, among others, a favorable outlook for operating results and knowledge, experience and sufficient social credibility in light of the personal qualifications of the officers, in order to ensure sound and appropriate execution of Business of Assuming Commodity Transaction Debts. To that extent, the supervisory authority has been involved in the governance of JCCH.
- JCCH strives to strengthen its governance by appointing 7 outside directors among 10 directors comprising the board of directors. In addition, all 3 corporate auditors comprising the board of corporate auditors are outside corporate auditor. These outside directors and corporate auditors, who are comprised of persons with wide-ranging strengths including ex-officers of a CCP, legal experts, tax accountants, and persons who worked for financial institutions, in addition to persons from interested parties such as clearing participants, are directly responsible for making decisions on important matters.
- JCCH has established internal risk management regulations and holds meetings of the Risk Management Committee chaired by the President on a monthly and ad hoc basis to establish necessary mechanisms to respond to emergency, etc. The Company also determines the basic internal control policy pursuant to the provisions of the Companies Act at the board of directors meetings and its implementation status is reported to shareholders and other stakeholders as appropriate.
- The business execution status and the risk management status are reported at the monthly meetings of the board of directors and the board of corporate auditors. In addition, the status of business execution by the board of directors and the evaluation of each director are regularly reported to stakeholders through the business report.
- Regarding the overall strategy and other important matters, JCCH develops a medium-term management plan and a business plan annually and their implementation status is reported to shareholders, relevant authorities, and other stakeholders such as participants. The content of the plans mentioned above and major resolutions passed at the meetings of the board of directors, etc. based on the plans are disclosed widely to the public on our website.

Reference 1: Management policy

The basic management policy of Japan Commodity Clearing House Co., Ltd. is to ensure secure performance of settlements, provide a system to protect the property of customers, and execute Business of Assuming Commodity Transaction Debts smoothly, thereby enhancing the reliability and convenience of the commodity futures markets and contributing to the development of the commodity futures markets.

Reference 2: Charter of Corporate Behavior

Fully recognizing its public mission and responsibility to contribute to the economy and society through the establishment and operation of markets necessary for commodity futures transactions, the TOCOM Group

(Tokyo Commodity Exchange, Inc. and Japan Commodity Clearing House Co., Ltd.; hereinafter referred to as “we,” “our,” or “us”) will strictly abide by all laws, regulations, and rules.

Principle 3: Framework for the comprehensive management of risks

An FMI should have a sound risk-management framework for comprehensively managing legal, credit, liquidity, operational, and other risks.

-> Compliance requirements are (on the whole) satisfied.

- Credit risk management responsibilities in the clearing operation are owned by the Risk Management Division and the Risk Management Committee, established as a cross-departmental organization, is responsible for the company-wide risk management. The activity status of the Risk Management Committee is regularly reported to the board of directors.
- Regarding operational risk, risks associated with each business operation are identified by the Risk Management Committee for the development of remediation measures and the revision of operations as appropriate.
- The operation of the clearing system of JCCH is outsourced to a contractor. JCCH and the contractor have developed an operation manual for the operation of the clearing system and established the basis method for handling local system failures.
- More specifically, clearing system terminals are installed in our office and daily clearing operations are checked against a checklist by process with each party concerned. This environment allows us to exchange information with the contractor on a daily basis about the operation status of the clearing system. In this way, we strive to identify and analyze operational risks.
- Regarding settlement banks, we regularly gather and analyze information necessary for the risk analysis of them such as their credit rating information and financial reports. If a settlement bank fails to meet our internal standards, the board of directors will discuss it to take necessary measures.
- JCCH has a business continuity plan and has developed a framework pertaining to the contingency plan for local disaster, thereby establishing a method to recover information necessary for clearing at the time of a clearing system failure.
- As part of the implementation of the business continuity plan to address wide-area disaster, we implemented the duplication of the clearing system in May 2013 and are considering measures to address practical issues in the future including tests with participants, etc.
- Relevant regulatory authorities may issue an order for the submission of reports and/or a business improvement order to JCCH as necessary pursuant to the provisions of Articles 184 and 185 of the Commodity Derivatives Act.

Principle 4: Credit risk

An FMI should effectively measure, monitor, and manage its credit exposures to participants and those arising from its payment, clearing, and settlement processes. An FMI should maintain sufficient financial resources to cover its credit exposure to each participant fully with a high degree of confidence. In addition, a CCP that is involved in activities with a more-complex risk profile or that is systemically important in multiple jurisdictions should maintain additional financial resources sufficient to cover a wide range of potential stress scenarios that should include, but not be limited to, the default of the two participants and their affiliates that would potentially cause the largest aggregate credit exposure to the CCP in extreme but plausible market conditions. All

other CCPs should maintain additional financial resources sufficient to cover a wide range of potential stress scenarios that should include, but not be limited to, the default of the participant and its affiliates that would potentially cause the largest aggregate credit exposure to the CCP in extreme but plausible market conditions.

-> Compliance requirements are satisfied.

- We have established a framework for credit risk management associated with individual clearing participants and JCCH as a whole based on the “Basic Policy for Credit Risk Management.”
- As part of periodic credit exposure measurements, we measure exposures of individual clearing participants as well as those of JCCH as a whole on an intraday to daily basis based on the “Basic Policy for Credit Risk Management.”
- We measure current exposure (difference between the present value of unsettled contracts and the latest mark-to-market result) on a daily basis from the daily calculation of netted profit/loss amounts. We also monitor intraday price changes at certain intervals during the day, change the parameters as necessary, and measure intraday exposure.
- Regarding potential future exposure (loss arising from the price change during the period from the last mark-to-market process for a defaulting participant to the disposition of its position), we calculate, as the risk amount, the potential loss based on historical price changes assuming the disposition of the position at T+1(trade date plus one day).
- Regarding the position concentration limit, position limits have been established by each designated commodity exchange. Through regular audit and risk measurement based on daily clearing contracts, we examine the interdependence between specific clearing participants/indirect participants and the risk status of indirect participants as necessary. If necessary, we issue recommendations for taking risk mitigation measures to them pursuant to the provisions of the Business Rules.
- In order to prepare for any loss arising from the default of clearing participants, we have secured the source of loss coverage in the form of margin (initial margin) and clearing funds.
- In order to provide against the residual risk (tail risk) that cannot be covered by the margins and clearing funds deposited from participants, we maintain loss compensation/guarantee agreements with designated commodity exchanges and our own Reserve Fund for Default. • The amount of initial margin is set at levels that can cover 99% of historical price fluctuations.
- JCCH has sufficient financial resources to meet its obligations resulting from a default of a clearing participant that would cause the maximum expected loss according to the stress test results. In addition, JCCH has entered into a liquidity arrangement (of 30 billion yen in total) with its settlement banks to secure sufficient liquidity for intraday settlement in such event. Therefore, the possibility of insufficient financial resources is remote for the time being.
- To further strengthen its financial resources, JCCH has proposed a change in the clearing fund system in the medium-term business plan and is currently preparing for the implementation.
- Our daily risk measurement includes measurement using stress scenarios. Measurement results, which are measured and evaluated by the section in charge (Risk Management Division), are reported internally (daily, monthly, and annually) based on the “Regulations for JCCH Credit Risk Management Operations” which is the practical implementation guidelines for the “Basic Policy for Credit Risk Management,” as part of the system for management level monitoring and reporting to the board of directors as necessary.
- For such measurement, we use a scenario that assumes the default of the counterparty with the largest risk as prices of all products rise or fall at once in extreme but plausible market conditions (including the period of the highest volatility experienced by the market in the past).
- In the case of default of a clearing participant to which we have the largest exposure, we could cover the exposure by applying the financial resources in the order specified by the loss compensation rules.

- With regard to the possibility of simultaneous defaults of multiple participants, we measure the total exposure in the case of simultaneous defaults of top two and more participants using the Lamfalussy + 1 standard.
- The use of the financial resources in the case of default of a clearing participant is prescribed in the items of Article 72 of the Business Rules and is disclosed on our website.
- Pursuant to the provisions of Article 178 of the Act, the Business Rules clearly state that in the event where there is a residual loss that cannot ultimately be compensated for otherwise, the residual loss should be borne by clearing participants.

Principle 5: Collateral

An FMI that requires collateral to manage its or its participants' credit exposure should accept collateral with low credit, liquidity, and market risks. An FMI should also set and enforce appropriately conservative haircuts and concentration limits.

-> Compliance requirements are satisfied.

- Pursuant to Article 179 of the Act, JCCH accepts as margins certain types of assets that are prescribed in Article 60 of the Business Rules and the Clearing Margin Rules (cash, securities, warehouse receipts, and foreign currencies).
- The applied value for substitute securities and warehouse receipts accepted as margins is re-valued on the 10th day of each month.
- JCCH also monitors market values of securities, etc. mentioned above on a daily basis. If the market value falls below the applied value, the applied value is revised immediately on that day and the revised applied value is applied from the following business day.
- Although the regulations of JCCH requires the applied value to be calculated at least on a monthly basis, in practice, JCCH obtains market values of securities, etc. from securities exchanges and others and monitors whether they have fallen below the applied value on a daily basis. If the market value of a particular security falls below the applied value, the applied value is revised immediately on that day. Therefore, this practice has substantially the same effect as daily marking-to-market.
- The applied value of foreign currencies (limited to US dollars) is reviewed on a daily basis and the revised applied value is applied from the following business day.
- The applied value for substitute securities, etc., is revised on a monthly basis. If the value of the margin assets is depreciated as a result of this revision, the required amount of clearing margin is changed based on haircut.
- For the applied value for substitute securities, etc., which is reviewed on a monthly basis, the haircut ratio is determined for each individual security (generally 75-85% of face amount in the case of JGBs and 50-70% of market value in the case of stocks and investment trusts).
- For the applied value of foreign currencies (US dollars), which is reviewed on a daily basis, the current haircut ratio is 97% of the USD to JPY exchange rate (TTB) announced daily by the Bank of Tokyo-Mitsubishi UFJ. Since the latest revision of the haircut ratio (from 90% to 97%) on June 21, 2011, JCCH has confirmed on a daily basis that asset value did not fallen below this amount.
- Pursuant to the provisions of Article 103, paragraph (4) of the Act as applied mutatis mutandis pursuant to Article 179, paragraph (5) of the Act, JCCH is required to manage the collateral (clearing margins) deposited by each clearing participant separately from its own assets and other assets other than the clearing margins deposited by the clearing participant.
- When JCCH accepts securities from a clearing participant as collateral, the securities are entrusted to domestic custodians for safekeeping and administration. Custodians are selected from the perspectives of

financial safety, reliability of the custodian function, prompt services, etc. As a result, companies listed in the first section of the TSE/OSE are currently appointed as custodians.

- Cash deposited by clearing participants is managed in the form of government bonds and bank deposits that are permitted by the Commodity Derivatives Act. These government bonds and bank deposits are kept at securities companies and banks, respectively. In this case, they are kept together under the name of JCCH.

Principle 6: Margin

A CCP should cover its credit exposures to its participants for all products through an effective margin system that is risk-based and regularly reviewed.

-> Compliance requirements are mostly satisfied.

- JCCH has adopted SPAN, which is provided by the CME, as a initial margin model to calculate the initial margin. For parameter setting based on the “SPAN Parameter Handling Procedures”, we refer to historical data of the range of price changes from the previous business day within a clearing period over a certain time period. Parameters are set at levels at which 99% of the price changes during that time period can be covered.
- JCCH requires each participant to deposit “margins” on the basis of price changes of individual products and requires clearing participants to deposit “clearing funds” as collateral.
- JCCH obtains relevant price information directly from designated commodity exchanges to which we provide clearing services and use it for margin setting purposes.
- Parameters are set assuming the closing out (disposition of positions in the case of a default) at T+1 in consideration of the time required in past default cases.
- Variable margins (mark-to-market and the calculation of netted profit/loss amounts) are paid and received on a daily basis. We plan to have the power and practical ability to require additional variable margins during the day.
- For the management of margins on a portfolio basis, we have determined and are using parameters that allow offsetting between products (inter-product spread discount) based on the “SPAN Parameter Handling Procedures.” However, offsetting of margins between CCPs is not currently implemented.
- Regarding the analysis of the coverage of the margin model, we monitor the daily changes in the coverage with respect to the current parameters. If the threshold value is exceeded, we change the parameters immediately as appropriate.
- We measure risks based on stress parameters as part of daily exposure measurement to keep track of the coverage levels of margins.
- Regarding regular evaluation/verification of the margin system, the current model is reviewed and revised once in several months based partly on the trial calculation of parameters using other models.
- We have established the power to change and the procedure for changing the margining system and parameters and related rules are disclosed on our website.

Principle 7: Liquidity risk

An FMI should effectively measure, monitor, and manage its liquidity risk. An FMI should maintain sufficient liquid resources in all relevant currencies to effect same-day and, where appropriate, intraday and multiday settlement of payment obligations with a high degree of confidence under a wide range of potential stress scenarios that should include, but not be limited to, the default of the participant and its affiliates that would

generate the largest aggregate liquidity obligation for the FMI in extreme but plausible market conditions.

-> Compliance requirements are satisfied.

- Regarding the account balance at the settlement banks to which settlement of transactions with clearing participants is entrusted, we monitor, on a daily basis, the scheduled balance as of the clearing date for cash management purposes.
- Under the assumption that JCCH is not a CCP that is systemically important in multiple jurisdictions, in the case of default of a participant that would generate the largest aggregate liquidity obligation (Lamfalussy), we could cover such exposure by applying the financial resources in the order specified by the loss compensation rules. With regard to the possibility of simultaneous defaults of multiple participants, we measure the total exposure and calculate the amount of potential loss on a trial basis in the case of simultaneous defaults of top two and more participants using the Lamfalussy + 1 standard.
- It is prescribed by the Rules concerning Separate Management of Clearing Margins and other rules that liquid assets should be managed only in the form of products of banks that have been given stable credit ratings by major rating agencies and the credit ratings of these banks are monitored on a daily basis.
- In addition to the measures described above, there are compensation under loss compensation agreements and insurance policies held by the designated commodity exchanges.
- Custodians to which we entrusted management such as the settlement bank and “DAIKO CLEARING SERVICES CORPORATION” are required by the Financial Instruments and Exchange Act to manage the property of a customer separately from their own property including securities and property of other customers including securities. Even when a custodian files for a bankruptcy, customer assets are protected and returned to customers.
- With regard to the status of separate management at the custodian, we have been informed by the company to the effect that pursuant to the provisions of the Financial Instruments and Exchange Act it was audited by an external auditor with regard to the status of separate management as of March 31, 2012 and there were no findings pointing to deficiencies.
- Regarding the contingency plan to address cases in which the lack of liquidity cannot be covered, as part of the compensation procedure to be following in the case of insufficient liquid assets, JCCH has entered into a liquidity arrangement (of 30 billion yen in total) with its settlement banks to secure sufficient liquidity for intraday settlement in such event. Therefore, the possibility of insufficient financial resources is remote for the time being.

Principle 8: Settlement finality

An FMI should provide clear and certain final settlement, at a minimum by the end of the value date. Where necessary or preferable, an FMI should provide final settlement intraday or in real time.

-> Compliance requirements are satisfied.

- Article 59 of the Business Rules prescribes that the settlement should be completed by noon of the day immediately following the trade date (clearing period) and specific funds transfer processes by the “noon T+1 ” settlement deadline are clearly prescribed in an agreement with the settlement bank. Settlement is finalized when funds are transferred from the account of the clearing participant to the account of JCCH or vice versa.
- Settlement banks are supervised by the competent authorities for its soundness based on Banking Act, etc. Therefore, the agreement mentioned above is considered to be legally effective.

- We monitor the processes with settlement banks on a daily basis.

Principle 9: Money settlements

An FMI should conduct its money settlements in central bank money where practical and available. If central bank money is not used, an FMI should minimise and strictly control the credit and liquidity risk arising from the use of commercial bank money.

-> Compliance requirements are satisfied.

- Specific funds transfer processes by the “T+1 noon” settlement deadline are clearly prescribed in an agreement with the settlement bank. Settlement is finalized when funds are transferred from the account of the clearing participant to the account of JCCH or vice versa.
- Settlement banks are supervised by the competent authorities for its soundness. Therefore, the agreement mentioned above is considered to be legally effective.
- We monitor the processes with settlement banks on a daily basis.
- JCCH monitors the creditworthiness of settlement banks (banks with which margins and other funds are deposited) as appropriate based on strict standards established by the board of directors for each fiscal year (based on credit ratings granted by a rating agency). (Specifically, these banks are considered to be qualifying if they have been given a credit rating of A3 or above by Moody’s Japan K.K. If the rating falls to Baa1 or below, JCCH will promptly withdraw funds from the bank and transfer them to another financial institution.)
- With regard to access to liquidity, JCCH has entered into an agreement with settlement banks for the establishment of emergency line of credit, etc.
- With regard to operational reliability, an agreement with settlement banks provides for the practical rules on instructions for daily funds transfer between the JCCH account and the account of clearing participants and reports on the results of such funds transfer, based on which JCCH monitors the results of such funds transfer on an ongoing basis.
- If it is found that a settlement bank no longer meets the standards determined by JCCH, for example, as a result of a change in its credit rating, JCCH will take necessary measures including transfer of its deposit with the bank to another bank to avoid any potential loss.

Principle 10: Physical deliveries

An FMI should clearly state its obligations with respect to the delivery of physical instruments or commodities and should identify, monitor, and manage the risks associated with such physical deliveries.

-> Compliance requirements are satisfied.

- Article 54 of the Business Rules prescribes that settlement between JCCH and a clearing participant by way of physical delivery is deemed to be finalized when the delivery is completed in accordance with the various rules of the exchange.
- In this way, we have eliminated our direct involvement in the safekeeping and delivery processes and reduced the risks associated with the safekeeping and delivery of physical assets. Regarding the delivery obligations, the default handling procedure including the loss calculation at the time of a default pertaining to settlement by delivery and the delivery position is clearly prescribed in the Business Rules approved by the competent minister and the Regulations for Business Rules.

Principle 11: Central securities depositories

A CSD should have appropriate rules and procedures to help ensure the integrity of securities issues and minimise and manage the risks associated with the safekeeping and transfer of securities. A CSD should maintain securities in an immobilised or dematerialised form for their transfer by book entry.

-> This principle does not apply to JCCH.

Principle 12: Exchange-of-value settlement systems

If an FMI settles transactions that involve the settlement of two linked obligations (for example, securities or foreign exchange transactions), it should eliminate principal risk by conditioning the final settlement of one obligation upon the final settlement of the other.

-> This principle does not apply to JCCH.

Principle 13: Participant-default rules and procedures

An FMI should have effective and clearly defined rules and procedures to manage a participant default. These rules and procedures should be designed to ensure that the FMI can take timely action to contain losses and liquidity pressures and continue to meet its obligations.

-> Compliance requirements are satisfied.

- The Business Rules (Articles 68 through 71) approved by the competent minister and the Clearing Margin Rules of JCCH clearly prescribe the events of default and the handling of unsettled contracts of the defaulting clearing participant, the assumption of clearing margins, etc. and JCCH has the necessary power to enforce them.
- The Business Rules (Articles 72 through 75) and the Clearing Margin Rules of JCCH clearly prescribe the deposits of defaulting clearing participant (margins and clearing funds), other financial resources to provide for defaults and the use of them including the specific order of the use to compensate for the loss, etc.
- Other financial resources to provide for defaults can be withdrawn and used only after following the necessary procedure in accordance with the nature of each resource.
- The Commodity Derivatives Act prescribes that, in the case of a default, related unsettled contracts should be handled in accordance with the business rules that have been approved by the competent minister. The Business Rules of JCCH (Article 68) permits unsettled contracts to be assumed or disposed of.
- The Commodity Derivatives Act prescribes that, in the bankruptcy or other legal proceedings of a clearing participant, the method to calculate and settle unsettled obligations and other claims shall be governed by the provisions of the business rules.
- Under the Commodity Derivatives Act, in the case where JCCH incurs a loss due to the default of a clearing participant, JCCH has a right of preferential performance over the margin and clearing fund belonging to the defaulting clearing participant.
- These procedures are highly reliable as in the past four cases of defaults of clearing participants, such a decision was never suspended or negated.
- The basic default procedure and other relevant matters are prescribed in the Business Rules approved by the competent ministers (Articles 68 through 75) and the Clearing Margin Rules, etc. of JCCH. These rules permit the use of judgment by JCCH in determining specific processes to follow in the case of default,

thereby enabling flexible handling of default cases. In addition, the “Default Handling Manual,” which includes internal regulations established by the management of JCCH, allows for a measure of flexibility in default handling.

- The Business Rules (Article 71) and the “Default Handling Manual” require JCCH to make prompt notification to the competent ministers, commodity exchanges, clearing participants, etc. in the case of default and otherwise cope with default cases in close coordination with parties concerned.
- The internal plans mentioned above presume default procedures to be followed on behalf of the designated commodity exchanges. JCCH is not expected, in principle, to be involved in default procedures of other CCPs as JCCH is not linked to them.
- Major points of the default handling procedure are prescribed in the Business Rules approved by the competent minister and disclosed on our website together with the related rules.

Principle 14: Segregation and portability

A CCP should have rules and procedures that enable the segregation and portability of positions of a participant’s customers and the collateral provided to the CCP with respect to those positions.

-> Compliance requirements are satisfied.

- Pursuant to the provisions of Article 103, paragraph (4) of the Act as applied mutatis mutandis pursuant to Article 179, paragraph (5) of the Act, JCCH manages clearing margins separately from its own property in accordance with the Rules concerning Separate Management of Clearing Margins so that margins are effectively protected.
- In addition, margins can be transferred to another clearing participant in the case of a default or insolvency of a clearing participant under Article 60 of the Business Rules and Articles 25 and 27 of the Clearing Margin Rules.
- As a general rule, customer positions can also be transferred to another clearing participant in the case of a default or insolvency of a clearing participant. The related rules and procedures are prescribed in the Business Rules and other rules and are disclosed to the public.
- Although the Bankruptcy Act of Japan does not permit customer assets to be excluded from general claims, the Commodity Derivatives Act adopts a system in which customer margins are required to be deposited directly with JCCH in full, requires customer assets to be treated separately from JCCH’s own assets (general claims), and prescribes customers’ right to claim the return of their margins.
- And the Commodity derivatives Act prescribes that, in the case of a default, related unsettled contracts should be handled in accordance with the business rules that have been approved by the competent minister.
- In the case of a default of a clearing participant (broker member, etc.), a customer can claim the return of their margins directly from JCCH pursuant to the Business Rules.

Principle 15: General business risk

An FMI should identify, monitor, and manage its general business risk and hold sufficient liquid net assets funded by equity to cover potential general business losses so that it can continue operations and services as a going concern if those losses materialise. Further, liquid net assets should at all times be sufficient to ensure a recovery or orderly wind-down of critical operations and services.

-> Compliance requirements are satisfied.

- Liquid net assets are managed on the basis of operating expenses based on yearly cash flow projection.
- We make sure to always maintain liquid net assets at levels equivalent to operating expenses for a period of six months at a minimum.

Principle 16: Custody and investment risks

An FMI should safeguard its own and its participants' assets and minimise the risk of loss on and delay in access to these assets. An FMI's investments should be in instruments with minimal credit, market, and liquidity risks.

-> Compliance requirements are satisfied.

- Pursuant to the provisions of Article 103, paragraph (4) of the Act as applied mutatis mutandis pursuant to Article 179, paragraph (5) of the Act, JCCH manages the collateral (clearing margins) deposited by each clearing participant separately from its own assets and other assets other than the clearing margins deposited by the clearing participant.
- When JCCH accepts securities from a clearing participant as collateral, the securities are entrusted to domestic custodians for safekeeping and administration. Custodians are selected from the perspectives of financial safety, reliability of the custodian function, prompt services, etc. As a result, companies listed in the first section of the TSE are currently appointed as custodians.
- When JCCH accepts cash from a clearing participant as collateral, it is maintained in the form of Japanese Government Bonds (JGB), bank deposits, etc. prescribed in Article 74 of the Ordinance for Enforcement of the Commodity Derivatives Act in accordance with the separate management requirements prescribed in the Business Rules of JCCH. Banks with which cash is deposited are selected by the board of directors among financial institutions that have been given a certain minimum credit rating or higher by major rating agencies.
- JGB are held to maturity to avoid price fluctuation risk and bank deposits are maintained as ordinary deposits and time deposits that are cancellable before maturity to secure high liquidity.
- JCCH's own assets are maintained in the form of bank deposits so as to avoid any problem in the case of emergency such as a default of a clearing participant.

Principle 17: Operational risk

An FMI should identify the plausible sources of operational risk, both internal and external, and mitigate their impact through the use of appropriate systems, policies, procedures, and controls. Systems should be designed to ensure a high degree of security and operational reliability and should have adequate, scalable capacity. Business continuity management should aim for timely recovery of operations and fulfilment of the FMI's obligations, including in the event of a wide-scale or major disruption.

-> Compliance requirements are mostly satisfied.

- Credit risk management responsibilities in the clearing operation are owned by the Risk Management Division and the Risk Management Committee, established as a cross-departmental organization, is responsible for the company-wide risk management. The activity status of the Risk Management Committee is regularly reported to the board of directors.

- Regarding operational risk, risks associated with each business operation are identified by the Risk Management Committee for the development of remediation measures and the revision of operations as appropriate.
- The operation of the clearing system of JCCH is outsourced to a contractor. JCCH and the contractor have developed an operation manual for the operation of the clearing system and established the basis method for handling local system failures.
- More specifically, clearing system terminals are installed in our office and daily clearing operations are checked against a checklist by process with each party concerned. This environment allows us to exchange information with the contractor on a daily basis about the operation status of the clearing system. In this way, we strive to identify and analyze operational risks.
- A high priority is placed on security for the clearing system of JCCH. For example, major equipment and telecommunication lines are duplicated for secure operation and security measures (authentication USB key, ID, password) have been taken with regard to the communication of information with participants.
- JCCH has a business continuity plan and has developed a framework pertaining to the contingency plan for local disaster, thereby establishing a method to continue operation using the DR site and to recover information necessary for clearing at the time of a clearing system failure.
- We are currently working on the next step in the business continuity plan (responses to wide-area disasters) and tests with participants and other initiatives are scheduled.
- JCCH is operated under the management of full-time directors and has assigned persons with appropriate experience, thereby securing human resources necessary for the operation. Our outsourcing contractors have also secured an appropriate number of qualified persons.
- JCCH has an internal audit function based on the mutual check-and-balance system.
- Any problem in the reliability of the operation is reported to the management for the implementation of necessary changes.
- Since the start of the operation of JCCH in May 2005 until the current date (October 31, 2013), no system failure that causes the destruction of data or disruption of business has occurred.
- The clearing system is checked for the sufficiency of capacity and performance regularly and at each system upgrade or function change. At the time of system upgrade, stress tests are performed as necessary to determine the specification.
- In addition, our outsourcing contractors monitor the processing capacity for any problem on an ongoing basis by checking the number of transactions processed by the system and report regularly to JCCH.

Principle 18: Access and participation requirements

An FMI should have objective, risk-based, and publicly disclosed criteria for participation, which permit fair and open access.

-> Compliance requirements are satisfied.

- As part of clearing qualification requirements, JCCH requires participants to have a sound management system and an appropriate business operation system and satisfy certain financial standards related to capital, net assets, and required net asset ratio (General Clearing Participants are subject to higher standards) (Article 7 of the Business Rules).
- JCCH also requires clearing participants to deposit clearing deposits (to provide for default in advance). These requirements are prescribed in Article 61 of the Business Rules and disclosed to the public.
- JCCH is prohibited by the provisions of Article 177 of the Commodity Derivatives Act from treating a particular clearing participant discriminately in an unjust manner.

- Pursuant to the provisions of Articles 17 through 19 of the Business Rules, JCCH monitors the compliance status of clearing qualification on an ongoing basis by conducting on-site audit or receiving the submission of various materials in the form of documents regarding business operations and financial condition from clearing participants.
- Articles 26 and 27 of the Business Rules prescribe that JCCH may take necessary measures against clearing participants that have violated or failed to satisfy the clearing qualification requirements including the suspension of the assumption of obligations or rescission of clearing qualification. These provisions are also disclosed to the public.

Principle 19: Tiered participation arrangements

An FMI should identify, monitor, and manage the material risks to the FMI arising from tiered participation arrangements.

-> Compliance requirements are on the whole satisfied.

- JCCH identifies and monitors the interdependence between specific clearing participants and indirect participants as well as the risk exposure of indirect participants (customers) by way of audit and risk measurement based on daily clearing contracts under Article 19 of the Business Rules. If necessary, JCCH issues recommendations for taking risk mitigation measures to them pursuant to the provisions of Article 36 of the Business Rules.

Principle 20: FMI links

An FMI that establishes a link with one or more FMIs should identify, monitor, and manage link-related risks.

-> This principle does not apply to JCCH as it is not currently linked to other CCPs.

Principle 21: Efficiency and effectiveness

An FMI should be efficient and effective in meeting the requirements of its participants and the markets it serves.

-> Compliance requirements are satisfied.

- JCCH reviews its business operation in developing the medium-term management plan and the annual business plan in reference to the business operation status for the previous fiscal year including the levels of services provided and risk management status. JCCH also references opinions of clearing participants on an ongoing basis.

Principle 22: Communication procedures and standards

An FMI should use, or at a minimum accommodate, relevant internationally accepted communication procedures and standards in order to facilitate efficient payment, clearing, settlement, and recording.

-> Compliance requirements are satisfied.

JCCH uses or satisfies internationally accepted communication procedures and standards as follows:

- Between JCCH and clearing participants: HTTPS through the Internet communication lines
- Between JCCH and exchanges: FTP or HTTP through INS communication lines
- Between JCCH and settlement banks: JBA TCP/IP through INS communication lines
- Between JCCH and other business operators: FTP through INS communication lines

Principle 23: Disclosure of rules, key procedures, and market data

An FMI should have clear and comprehensive rules and procedures and should provide sufficient information to enable participants to have an accurate understanding of the risks, fees, and other material costs they incur by participating in the FMI. All relevant rules and key procedures should be publicly disclosed.

-> Compliance requirements are satisfied.

- Participants' rights and obligations, services fees, etc., are indicated in the rules of JCCH that are disclosed on our website.
- Statistical data on monthly transaction volume and amounts together with other information are disclosed on our website.

Principle 24: Disclosure of market data by trade repositories

A TR should provide timely and accurate data to relevant authorities and the public in line with their respective needs.

-> This principle does not apply to JCCH.

EXHIBIT E

THE REGULATORY REGIME GOVERNING THE CLEARING ORGANIZATION IN ITS HOME COUNTRY OR COUNTRIES

- (1) A description of the regulatory regime/authority's structure, resources, staff and scope of authority.**
- (2) The regulatory regime/authority's authorizing statutes, including the source of its authority to supervise the clearing organization.**
- (3) A description of and, where applicable, copies of the laws, rules, regulations and policies applicable to:¹⁰**
 - (i) The authorization, licensure or registration of the clearing organization.**
 - (ii) The financial resource requirements applicable to the authorization, licensure or registration of the clearing organization and the continued operations thereof.**
 - (iii) The regulatory regime/authority's program for the ongoing supervision and oversight of the clearing organization and the enforcement of its clearing rules.**
 - (iv) The extent to which the current RCCPs are used or applied by the regulatory regime/authority in its supervision and oversight of the clearing organization or are incorporated into its rules and regulations and the extent to which the regulatory regime/authority reviews the clearing systems for compliance therewith.**
 - (v) The extent to which the regulatory regime/authority reviews and/or approves the rules of the clearing organization prior to their implementation.**
 - (vi) The regulatory regime/authority's inspection, investigation and surveillance powers; and the program pursuant to which the regulatory regime/authority uses those powers to inspect, investigate, sanction, and enforce rules applicable to the clearing organization.**
 - (vii) The financial protection afforded customer funds.**

¹⁰ To the extent that any such laws, rules, regulations or policies were provided as part of Exhibit A-4, they need not be duplicated. They may be cross-referenced.

(1) A description of the regulatory regime/authority's structure, resources, staff and scope of authority.

The source of the Regulating Authorities' authority to supervise JCCH comes from the CDA. Article 354 of the CDA allocates responsibility for various products between METI and MAFF. METI has jurisdiction over derivative products involving precious metals, base metals, rubber and energy related-products. MAFF has jurisdiction over derivatives products involving agricultural products, forest products, livestock products and fishery products.

METI was established in 2001 by reorganizing the function of the Ministry of International Trade and Industry. The Minister of Economy, Trade and Industry, the head of METI, is appointed by the Prime Minister as a member of the cabinet. In METI, the Commerce and Consumer Affairs Policy Division and the Commerce Supervisory Division are responsible for policy initiatives related to the CDA and enforcement of the CDA. The Commerce and Consumer Affairs Policy Division has a staff of 16 and the Commerce Supervisory Division has a staff of 49.

MAFF was established in 2001 by reorganizing the function of the Ministry of Agriculture, Forestry and Fisheries. The Minister of Agriculture, Forestry and Fisheries, the head of MAFF, is appointed by the Prime Minister as a member of the cabinet. In MAFF, the Commodity Trade Division, Food Industry Affairs Bureau and the Inspection Division, Minister's Secretariat are responsible for policy initiatives related to the CDA and enforcement of the CDA. The Commodity Trade Division has a staff of 20 and the Inspection Division has a staff of 10 who are responsible for inspecting JCCH under the CDA.

The CDA sets forth requirements for the establishment, approval and oversight of (i) futures and options exchanges (including the Self-Regulatory Committee to determine matters concerning self-regulatory related services); (ii) clearing houses; (iii) brokers; (iv) the Commodity Futures Association Japan ("CFAU"), a self-regulatory membership association of brokers; and (v) National Futures Protection Fund. The CDA also contains provisions regarding governance of the JCCH's operations and membership.

Pursuant to Article 184 of the CDA, when a Regulating Authority finds it necessary for the enforcement of the CDA, it may order JCCH or a member thereof to submit a report or provide information about such entity's business or have its officials conduct an on-site inspection of the books, documents and other articles related to such business. Further, pursuant to Article 185, when a Regulating Authority finds it necessary and appropriate to ensure the fair and equitable principles of trading or to protect customers, it may order JCCH to amend its Articles or Rules, change its business methods or take any other necessary measures for improving its business operations.

Regulating Authorities may implement precautionary measures under Article 118 of the CDA in order to protect the public interest or maintain order in the commodity markets. When an excessive volume of transactions is carried out or is likely to be carried out through certain abusive trading practices (*e.g.*, those likely to result in excessive concentration), or contracts are

formed or are likely to be formed with inadequate consideration or unfair contract prices, Regulating Authorities may take any of the following actions with respect to the named parties: (i) impose restrictions on members with regard to transactions or accepting consignment of transactions; (ii) with respect to TOCOM, take measures to limit fluctuation in quotations or the volume of transactions where settlement has not been completed, or change the amount of clearing margins required; (iii) with respect to JCCH, change the amount of clearing margins required; or (iv) with respect to either JCCH or TOCOM, take other actions specified in a Regulating Authorities' ordinance as matters for securing the fairness of market transactions.

(2) The regulatory regime/authority's authorizing statutes, including the source of its authority to supervise the clearing organization.

The source of Regulating Authorities' authority to supervise JCCH comes from the CDA. Article 354 of the CDA allocates responsibility for various products between METI and MAFF.

(3) A description of and, where applicable, copies of the laws, rules, regulations and policies applicable to:¹¹

(i) The authorization, licensure or registration of the clearing organization.

A commodity clearing organization is defined at Article 2(18) of the CDA to mean person who has received a license from or the approval of the competent minister pursuant to the provisions of Article 167 or Article 173, paragraph (1) with regard to engagement in the Business of Assuming Commodity Transaction Debts. Article 167 of the CDA, in turn, provides that the Business of Assuming Commodity Transaction Debts, may only be conducted by a business corporation that has obtained a license from the competent minister.

Pursuant to Article 168 of the CDA, an applicant for registration as a clearing organization must submit a written application to the Regulating Authorities setting out the following information: (i) the entity's name; (ii) its amount of stated capital; (iii) the location of the head office, branch offices and any other business offices; (iv) the markets to be cleared; and (v) the names of its officer. The articles of incorporation, business rules and other documents that may be specified by the Regulating Authorities must accompany the application.

Pursuant to Article 169 of the CDA, the Regulating Authorities will grant the application for registration if they determine, *inter alia*, that: (i) the provisions of the articles of incorporation and the business rules do not violate applicable laws and regulations and are sufficient for performing the business of a clearing organization; (ii) the applicant has sufficient financial basis for soundly performing the business of a clearing organization and the outlook for the income and expenditures pertaining to its business is favorable; (iii) in light of its personnel structure, the applicant has the knowledge and experience for properly and securely performing the business of a clearing organization.

¹¹ To the extent that any such laws, rules, regulations or policies were provided as part of Exhibit A-4, they need not be duplicated. They may be cross-referenced.

(ii) The financial resource requirements applicable to the authorization, licensure or registration of the clearing organization and the continued operations thereof.

There are no fixed financial resource requirements applicable to clearing organizations. However, pursuant to Article 169 of the CDA, an applicant for registration as a clearing organization must demonstrate that it has sufficient financial resources to conduct its business and, pursuant to Article 171 of CDA, must notify the Regulating Authorities in the event it intends to change its stated capital.

(iii) The regulatory regime/authority's program for the ongoing supervision and oversight of the clearing organization and the enforcement of its clearing rules.

There is no formal document that describes how the two Regulating Authorities share responsibility for ongoing oversight and supervision. However, the Regulating Authorities communicate and meet with the JCCH management and staff on a regular basis to discuss, *inter alia*, clearing rules and regulations and regulatory supervision. Oversight is jointly conducted, and all information is shared between METI and MAFF.

(iv) The extent to which the current RCCPs are used or applied by the regulatory regime/authority in its supervision and oversight of the clearing organization or are incorporated into its rules and regulations and the extent to which the regulatory regime/authority reviews the clearing systems for compliance therewith.

Please see Exhibit D-3, above, which sets out JCCH's self-evaluation of its compliance with the Principles for Financial Market Infrastructures and a letter from METI and MAFF confirming that JCCH observes the PFMI's.

(v) The extent to which the regulatory regime/authority reviews and/or approves the rules of the clearing organization prior to their implementation.

The Articles of Incorporation and JCCH Rules (other than minor changes to such rules) may not be revised or amended without the approval of Regulating Authorities. Prior to submitting an application for approval of an amendment, JCCH communicates with the appropriate Regulating Authority.

(vi) The regulatory regime/authority's inspection, investigation and surveillance powers; and the program pursuant to which the regulatory regime/authority uses those powers to inspect, investigate, sanction, and enforce rules applicable to the clearing organization.

Pursuant to Article 184 of the CDA, the Regulating Authorities are authorized to perform on-site inspections of JCCH and its Clearing Participants and to inspect their books and other materials related to their business. When Regulating Authorities find it necessary for the enforcement of the CDA, they may order JCCH or a Clearing Participant thereof to submit a report or materials that provide information about their business.

(vii) The financial protection afforded customer funds.

The framework for the segregation of customer funds in Japanese commodity futures market consists of the requirement for futures commission merchants to deposit their customers' clearing margins directly with JCCH, known as "direct deposit" of customer margin, and other protection provided by the National Futures Protection Fund to achieve segregation of customer funds.

Under the direct deposit system, futures commission merchants are required by law to segregate customer assets from their own money by depositing all clearing margins of their customers with JCCH.

JCCH is required to keep the clearing margins deposited separately from its own property pursuant to the provisions of Article 103(4) of the CDA as applied *mutatis mutandis* pursuant to Article 179(5) of the CDA. JCCH keeps them separately from its own property in accordance with the method prescribed in Article 43 of the Ordinance for Enforcement of the Act based on the provisions of Article 103(4) of the CDA.

In cases where clearing participants deposit securities with JCCH, JCCH will commission a domestic custodian with the safekeeping and administration, and with respect to custodian selection JCCH will run checks with regard to financial soundness, reliability of custody functions, and expediency of services. Currently JCCH has mandated as custodian a company listed on the first sections of the Tokyo Stock Exchange and Osaka Securities Exchange.

In cases where clearing participants deposit cash with JCCH, permitted under the Commodity Derivatives Act are Japanese Government Bonds and bank deposits. The former are kept in the custody of securities companies and the latter are held with trust banks. In such a case, items are held in the name of JCCH and are subject to joint administration.

Futures commission merchants are required to segregate customer funds other than the clearing margins deposited at JCCH, by securing them specifically by means of trust, deposit with the National Futures Protection Fund, guarantees provided by banks and other institutions, or guarantees provided by the National Futures Protection Fund.

When a Clearing Participant fails to deposit funds required by JCCH by the prescribed deadline, such Clearing Participant is deemed to be in default. JCCH considers such a Clearing Participant insolvent and will no longer accept transactions undertaken by such Clearing Participant. When open positions held for customers by the insolvent Clearing Participant are transferred, based on the agreement between the parties, to other Clearing Participants in good standing, customer margin deposits will also be transferred. If such transfer will not take place, then open positions will be liquidated. In order to address a cash flow issue in the event a Clearing Participant's default, JCCH has entered into a "line of credit" agreement with its designated clearing banks as a backup measure to maintain operations.

JCCH and TOCOM jointly provide a safety net to deal with the default of a Clearing Participant. A defaulting Clearing Participant's obligations would be satisfied by using the following resources, for each market of each exchange (in the case of TOCOM, the precious metals, oil and rubber markets).

(i) First, funds contributed by the defaulting Clearing Participant are used, including clearing margins and Clearing Funds of the defaulting Clearing Participant deposited at JCCH and the Guarantee Fund deposited at TOCOM by the defaulting Clearing Participant (“defaulters pay arrangement”).

(ii) Next, funds secured by JCCH and TOCOM from sources other than the defaulting Clearing Participant are used to satisfy the obligations, including JCCH’s default reserve (2 billion yen), TOCOM’s security reserve fund against default (2.1 billion yen, composed of TOCOM surplus funds), and default insurance claims of TOCOM (5 billion yen, subject to a 5 billion yen deductible). These funds are secured for the purpose of mitigating the liability of Clearing Participants other than the defaulting Clearing Participant for compensating for the losses by default (“third parties pay arrangement”).

(iii) Finally, if the sources of funds listed above are insufficient to cover the losses, funds contributed by Clearing Participants other than the defaulting Clearing Participant are used, including ordinary clearing funds and other assessment determined by JCCH. (“survivors pay arrangement”).

Safety Net for JCCH and TOCOM (as of March 31, 2013)

JCCH	Clearing Margins (combining margins deposited by all clearing Participants in all markets)	154.4 billion yen
	Clearing Funds (combining funds deposited by all Clearing Participants in all markets)	9.3 billion yen
	Net Asset (including default reserve of 2 billion yen)	3.2 billion yen
TOCOM	Guarantee Funds (combining funds deposited by all Members)	0.27 billion yen
	Security Reserve Funds against Default	2.1 billion yen
	Default Insurance	5 billion yen (5 billion deductible)

**EXHIBIT F – THE RULES OF THE CLEARING ORGANIZATION AND
ENFORCEMENT THEREOF**

EXHIBIT F-1

A description of the clearing organization's regulatory or compliance department, including its size, experience level, competencies, duties and responsibilities of staff.

JCCH has established various policies and procedures to help ensure that JCCH business operations are in compliance with the requirements of the CDA as well as JCCH's own internal policies. Among these policies, JCCH has established the "Internal Control Basic Policy" which emphasizes that compliance is one of the most important management issues of JCCH, JCCH has further established the "Charter of Corporate Behavior" and "Code of Conduct" as standards for employees as well as the "Compliance Rules" that cover the principle compliance matters.

The General Affairs Department of JCCH serves as the main department responsible for compliance policy and administration. This effort is led by the Chief Compliance Officer (the President), the Managing Director and the General Manger of the General Affairs Department. The General Affairs Department has two additional staff members and there are four other individuals in other departments at JCCH assigned to compliance efforts.

The Managing Director and the General Manger of the General Affairs Department have performed their duties since the start of the current organization (2010). Their work is overseen by in-house legal counsel as needed.

The main responsibilities of the General Affairs Department are as follows:

- Revise as appropriate the JCCH Compliance Rules
- Make policy recommendations and changes to compliance efforts at JCCH
- Review and investigate information received from whistleblowers
- Review the design and operation of JCCH's internal control system

EXHIBIT F-2

A description of the clearing organization's rules and how they are enforced, with reference to any rules provided as part of Exhibit A-5 that require the clearing organization to comply with one or more of the RCCPs.

The JCCH rules govern the clearing and settlement services for the transaction of all commodity exchanges in Japan. The Business Rules and Regulations of JCCH govern, among others things, memberships qualifications and the process for becoming a clearing member, the obligations of clearing members, the settlement procedures for transactions, the procedures in the event of a default, and special rules for unsettled contracts.

The Clearing Margin Rules and Regulations govern the required margin levels and process for collecting and applying margin. The Regulation for Clearing Funds governs the deposit of clearing funds, among other things.

The rules of JCCH are enforced by authority of the Board of JCCH or the President of JCCH.

EXHIBIT F-3

A description of the clearing organization's disciplinary rules, including, but not limited to, rules that address the following –

(1) Disciplinary authority and procedures that empower staff to recommend and prosecute disciplinary actions for suspected rule violations and that provide the authority to fine, suspend, or expel any clearing participant pursuant to fair and clear standards.

The disciplinary authority is provided to the Board of Directors and the President, but not the staff of JCCH.

(2) The issuance of warning letters and/or summary fines for specified rule violations.

The President can issue a written recommendation which has the same effect as issuing a warning letter. JCCH does not issue summary fines.

(3) The review of investigation reports by a disciplinary panel or other authority for issuance of charges or instructions to investigate further, or findings that an insufficient basis exists to issue charges.

The Board of Directors reviews documented results of audits and any other relevant materials to determine whether to discipline a clearing member. Under Article 19 of the Business Rules of JCCH, staff auditors of JCCH may examine the business operation, financial condition, ledgers, documentation and others relevant material. Under Article 9 of the Rules for Audit of Clearing Members, the auditor must submit the documented results to the Chief Executive Officer of JCCH.

(4) Disciplinary committees of the clearing organization that take disciplinary action via formal disciplinary processes.

The Board of JCCH fulfills the role of a disciplinary committee.

(5) Whether and how the clearing organization articulates its rationale for disciplinary decisions.

JCCH provides a clearing participant with the results of an audit in writing. JCCH does not publish a public record of audits or disciplinary matters.

(6) The sanctions for particular violations and a discussion of the adequacy of sanctions with respect to the violations committed and their effectiveness as deterrents to future violations.

JCCH believes the sanctions it has imposed on clearing participants have been adequate and a deterrent to future violations. Since its establishment, JCCH has taken disciplinary action to suspend debt assumptions by certain clearing participants. These actions have been effective given the issues involved.

EXHIBIT F-4

A demonstration that the clearing organization is authorized by rule or contractual agreement to obtain, from members and other participants, any information and cooperation necessary to conduct investigations, to effectively enforce its rules, and to ensure compliance with the conditions of registration.

Article 19 of the JCCH Business Rules authorizes JCCH to obtain from clearing participants any reports or materials necessary to ascertain the clearing participant's business operations or financial conditions.

**EXHIBIT G – INFORMATION SHARING AGREEMENTS AMONG THE
COMMISSION, THE FOREIGN BOARD OF TRADE, THE CLEARING
ORGANIZATION, AND RELEVANT REGULATORY AUTHORITIES**

EXHIBIT G

(1) description of the arrangements among the Commission, the foreign board of trade, the clearing organization, and the relevant foreign regulatory authorities that govern the sharing of information regarding the transactions that will be executed pursuant to the foreign board of trade's registration with the Commission and the clearing and settlement of those transactions. This description should address or identify whether and how the foreign board of trade, clearing organization, and the regulatory authorities governing the activities of the foreign board of trade and clearing organization agree to provide directly to the Commission information and documentation requested by Commission staff that Commission staff determines is needed:

(i) To evaluate the continued eligibility of the foreign board of trade for registration.

(ii) To enforce compliance with the specified conditions of the registration.

(iii) To enable the CFTC to carry out its duties under the Act and Commission regulations and to provide adequate protection to the public or registered entities.

(iv) To respond to potential market abuse associated with trading by direct access on the registered foreign board of trade.

(v) To enable Commission staff to effectively accomplish its surveillance responsibilities with respect to a registered entity where Commission staff, in its discretion, determines that a contract traded on a registered foreign board of trade may affect such ability.

The Commission will be entitled to receive certain specified information regarding TOCOM and JCCH directly from TOCOM and JCCH pursuant to the terms and conditions of the FBOT status. Among other things, TOCOM is a signatory to the companion memorandum to the Declaration on Cooperation and Supervision of International Futures Markets and Clearing Organizations (commonly referred to as the "Boca Declaration"). As such, TOCOM supports the sharing of relevant information between certain derivatives exchanges and clearing organizations in order to combat potential hazards to the stability, safety and soundness of the international financial markets.

The Commission also will be entitled to receive information regarding market participants directly from Regulating Authorities. In particular, Japanese law authorizes Regulating Authorities to obtain information, in addition to that which is available to the general public, from clearing members and trading members and to reveal that information to foreign financial supervisory and regulatory agencies, such as the Commission. Japanese law additionally authorizes Regulating Authorities to assist international bodies performing market surveillance and to furnish information to these foreign authorities pursuant to exchange of information agreements, such as the Statement of Intent discussed below.

(2) A statement as to whether the regulatory authorities governing the activities of the foreign board of trade and clearing organization are signatories to the International Organization of Securities Commissions Multilateral Memorandum of Understanding. If not, describe any substitute information-sharing arrangements that are in place.

The Commission and Regulating Authorities entered into a SOI on July 29, 2010. The SOI addresses information sharing and is intended to assist both the Commission and Regulating Authorities in regulating and preventing fraud and abuse in the financial markets. The SOI remains in effect, and contemplates Regulating Authorities and the Commission providing the fullest measure of mutual assistance to facilitate their respective futures market oversight functions and to enforce the laws and regulations applicable to futures markets. In addition, Regulating Authorities are signatories to the IOSCO MMOU, which promotes mutual cooperation and consultation among IOSCO Members (including both the Commission and Regulating Authorities) to ensure compliance with, and enforcement of, their securities and derivatives laws and regulations.

(3) A statement as to whether the regulatory authorities governing the activities of the foreign board of trade and clearing organization are signatories to the Declaration on Cooperation and Supervision of International Futures Exchanges and Clearing Organizations. If not, a statement as to whether and how they have committed to share the types of information contemplated by the International Information Sharing Memorandum of Understanding and Agreement with the Commission, whether pursuant to an existing memorandum of understanding or some other arrangement.

TOCOM is a signatory to the companion memorandum to the Declaration on Cooperation and Supervision of International Futures Markets and Clearing Organizations. As such, TOCOM supports the sharing of relevant information between certain derivatives exchanges and clearing organizations in order to combat potential hazards to the stability, safety and soundness of the international financial markets.

EXHIBIT H – ADDITIONAL INFORMATION AND DOCUMENTATION

EXHIBIT H

Any additional information or documentation necessary to demonstrate that the requirements for registration applicable to the clearing organization or clearing system set forth in Commission regulation 48.7 are satisfied.