**Trading Rules of the Shanghai Futures Exchange**

**CHAPTER 1 GENERAL PROVISIONS**

**Article 1** These *Trading Rules* are made pursuant to the *General Exchange Rules of the Shanghai Futures Exchange* to regulate futures trading activities on or through the Shanghai Futures Exchange (hereinafter referred to as “Exchange”) protect legitimate rights and interests of all futures market participants and ensure the smooth progress of futures trading in the Exchange.

**Article 2** These *Trading Rules* are binding on the Exchange, its Members and Clients.

**CHAPTER 2 TRADING SEATS MANAGEMENT**

**Article 3** A “trading seat” refers to the access through which a Member places orders for execution into the Exchange’s electronic trading system for matching.

Trading seats are classified by access location into floor trading seats and remote trading seats. A “remote trading seat” refers to the means of trading by which a Member places orders directly from its business premises to the Exchange’s electronic trading system through an interconnected telecommunications system for centralized order matching and execution.

**Article 4** A Member may apply to the Exchange for the corresponding number of trading seats according to its business needs.

**Article 5** A Member applying for a trading seat shall meet the following criteria:

(i) satisfying the requirements of trading volume and capital set forth by the Exchange;

(ii) being equipped with a stable and reliable computer system with backup systems, a telecommunication system( including the telecommunication route), and appropriate telecommunication professionals;

(iii) having sound internal rules and remote trading management measures; and

(iv) sound operation and having no record of default or severe rule violations.

A Member applying for a remote trading seat shall ensure that it has the telecommunications and funds transfer facilities necessary for trading futures on the Exchange from the proposed place of remote trading.

**Article 6** A Member applying for a floor trading seat shall submit the *Application Form for Floor Trading Seats (Members)* to the Exchange

**Article 7** A Member applying for a remote trading seat shall submit the following materials to the Exchange:

(i) purpose and type of the trading seat;

(ii) installation address and descriptions of the trading seat;

(iii) software and version information of the trading system;

(iv) Client type and number of Clients; and

(v) other materials as prescribed by the Exchange.

**Article 8** The Exchange shall issue its decision on an application within ten (10) trading days as of receiving the complete application materials conforming to the requirements. In the case of approval, the Exchange shall notify the applicant to arrange for system testing; in the case of denial, the Exchange shall inform the applicant along with its reasons.

**Article 9** Members shall complete trading facilities installation and system testing and engage in the overall testing and simulation operations organized by the Exchange.

**Article 10** Once the installation of trading facilities and the relevant systems meet the operating conditions, the relevant Member shall pay the trading seat fee to the Exchange within ten (10) trading days from receiving the payment notice. The Exchange will separately notify the Member of the operation commencement date after the said payment.

**Article 11** AMember that uses trading seats shall paythe trading seat fees on an annual basis. The fee standard shall be prescribed by the Exchange separately.

Trading seats fee collected will not be refunded for any trading seat cancelled.

**Article 12** The Member shall improve the management of remote trading seats and the maintenance of remote trading systems and be obligated to keep the software interfaces and documentations provided by the Exchange confidential. A Member shall obtain the prior approval of the Exchange to replace, or modify the technologies of its major facilities, or to migrate its remote trading seat from the location on file. The Exchange retains the right to supervise and inspect the use of remote trading seats.

**Article 13** Permission to use a trading seat shall be withdrawn under any of the following circumstances:

(i) a Member applies to withdraw the trading seat and obtains the Exchange’s approval;

(ii) a Member subcontracts, subleases or transfers the trading seat without the approval of the Exchange;

(iii) a Member obtains confidential information through the trading system, or disrupts the trading system;

(iv) a Member fails to manage its trading seat(s) in a proper way, and is deemed ineligible to continue operating the trading seat(s);

(v) disqualification of a Member;

(vi) a Member has serious rule violations;

(vii) other circumstances prescribed by the Exchange.

**Article 14** If more than ten (10) percent of the Members cannot conduct their regular trading activities due to the malfunction of the electronic terminals, telecommunication systems or other trading facilities, the Exchange shall suspend the trading until the malfunction is rectified.

**CHAPTER 3 TRADING FLOOR MANAGEMENT**

**Article 15** The trading floor is the central trading venue for futures contracts. The Member’s floor representative who is registered with the Exchange, the Exchange’s floor administrative staff and the persons approved by the Exchange are allowed access to the trading floor.

**Article 16** A Member’s floor representative is the person authorized by the Member to follow the Member’s orders to execute futures contracts on the trading floor. The Member is fully responsible for its floor representative’s futures trading activities on the trading floor.

**Article 17** A Member’s floor representative shall meet the following criteria:

(i) be at least eighteen (18) years old and full capacity of civil rights and abilities;

(ii) have completed the Exchange’s specialized training program for floor representatives and obtain the qualification certificates;

(iii) be of good moral character and professional ethics; and

(iv) have no record of being charged or convicted of a criminal offense.

**Article 18** A person applying for a Member’s floor representative identification badge shall submit:

 the original letter of authorization issued by Member;

 the Member’s floor representative application form, bearing the Member’s company seal;

 the floor representative qualification certificate;

 her or his identity card; and

 her or his diploma, etc.

**Article 19** Each trading seat allows no more than two (2) Member’s floor representatives except as otherwise approved by the Exchange.

**Article 20** The Member’s floor representative may enter the trading floor within thirty (30) minutes before the market opens to prepare for the trading day. The Member’s floor representative shall not enter or exit the floor during trading hours except as allowed by the floor administrative staff. The Member’s floor representative shall leave the trading floor within thirty (30) minutes after the market closes.

**Article 21** The Member’s floor representative shall wear a valid representative badge and comply with the dressing code required when access to the trading floor.

**Article 22** The Member’s floor representative shall use the public facilities on the trading floor with care and strictly comply with the Exchange’s instructions for using floor electronic equipment. The Member’s floor representative shall compensate the Exchange for any loss and damage of such equipment.

**Article 23** The Member’s floor representative shall obtain the Exchange’s approval before carrying any trading equipment onto or off the trading floor.

**Article 24** The Member’s floor representative shall obey the directives of the Exchange’s floor administrative staff.

**Article 25** The Member’s floor representative shall be obligated to deliver all the Exchange’s directives, notifications and announcements to the attention of her or his Member in a timely manner.

**Article 26** A Member shall protect its trading password from being stolen or leaked. The Member shall be fully responsible for any harm, damage or loss due to the theft or disclosure of its password.

**Article 27** The Member’s floor representative shall not:

(i) arrive late or depart early without excuse;

(ii) carry instruments, devices or food of any kind onto the floor;

(iii) display bad manners, damage any trading facilities or affect the cleanliness of the trading floor;

(iv) fail to comply with the dressing code on the trading floor;

(v) operate the trading system in an improper manner that does not comply with the Exchange’s rules;

(vi) engage in activities that disrupt the orderly progress of trading such as wandering in trading floor, dropping by other trading seats, making noise or frolic, or playing video games;

(vii) disrupt the orderly process of trading by other Member’s floor representatives or interfere with the work of the Exchange’s floor administrative staff;

(viii) borrow or misappropriate use other Member’s telephone or trading terminal;

(ix) take photographs or videos on the trading floor without the Exchange’s approval;

(x) counterfeit or lend Member’s floor representative identification badge; or

(xi) behave inappropriately to disgrace the Exchange or disrupt the orderly trading progress on the trading floor.

**Article 28** In the event the Member dismisses or replaces a Member’s floor representative for any reason, or the Member’s floor representative breaks away with the Member, the Member shall notify the Exchange in a timely manner that the Member’s floor representative’s authorization shall be withdrawn and the original Member’s floor representative’s identification badge shall be returned to the Exchange. If the Member fails to return the identification badge, written explanation for its failure shall be sent to the Exchange in a timely matter, which will exempt the Member’s liability after the Member gets a reply letter. Any liability arising from the failure of withdrawal of authorization or return of identification badge in a timely manner shall be the responsibility of the Member.

**Article 29** For the person whose Member’s floor representative’s identification badge has been withdrawn within three (3) months, the Exchange will not accept her or his new application to represent another Member on the trading floor, unless the applicant’s prior employer Member gives its consent or is no longer a Member of the Exchange.

**CHAPTER 4 PRICE**

**Article 30** The Exchange shall timely publish the following market information:

(i) opening price — the trading price of a contract generated through opening central auction within the five (5) minutes before the market opening. If no trading price is generated thusly, the price of the first trade executed during auction trading on the current day is the opening price;

(ii) closing price— the last trading price of the day for a certain futures contract;

(iii) the highest price—the highest transaction price among the transaction prices of a certain futures contract during a specified period of time;

(iv) the lowest price—the lowest transaction price among the transaction prices of a certain futures contract during a specified period of time;

(v) the latest price—the latest transaction price during the trading period of a certain futures contract of a trading day;

(vi) price change—the difference between the current prices of a trade on a futures contract on a trading day and the settlement price on the prior trading day;

(vii) the highest bid—the current highest quote placed by a buyer for a futures contract during a trading day;

(viii) the lowest ask—the current lowest quote placed by a seller for a futures contract during a trading day;

(ix) bid volume—the total of unfilled bids at the highest bid price remained in the Exchange’s trading system of a futures contract on a trading day;

(x) ask volume—the total of unfilled asks at the lowest ask price remained in the Exchange’s trading system of a futures contract on a trading day;

(xi) settlement price—the volume-weighted average of all prices for a trade on a futures contract on a trading day. If no trade is executed on the trading day, the settlement price shall be constructed in accordance with the Exchange’s rules. The settlement price is used to calculate the settlement variation on the open interests and also used to set the next trading day’s price limit. It is also used to set the next trading day’s price limit;

(xii) trading volume—the volume of all filled order on either long or short side of a certain futures contract of a trading day;

(xiii) open interest—the volume of open positions in either long or short trades;

(xiv) exercise volume—the quantity of the option contracts that are closed out through exercise.

**Article 31** The type of trading order includes limit order, cancel order and other types as prescribed by the Exchange.

A maximum of five hundred (500) lots may be executed in one limit order. For all other trading order types, the minimum is one (1) lot.

A trading order on a futures contract can only quote within the range of price fluctuation for that contract.

**Article 32** For any product to which continuous trading applies, the opening central auction is held in the five (5) minutes before the continuous trading session; the central auction for the day trading session is held in the five (5) minutes before the day trading session. On any trading day without a continuous trading session, the opening central auction is held in the five (5) minutes before the day trading session.

For any product to which continuous trading does not apply, the opening central auction is held in the five (5) minutes before the day trading session.

During the first four (4) minutes of the central auction session bids and asks are entered into the central order book, and during the last minute bids and asks are matched.

The opening price is the execution price established in an opening central auction. If no trade is executed during the auction, the price of the first trade executed during auction trading on the current day shall be the opening price. The price of the first trade is established by the methodology as provided in the *General Exchange Rules of the Shanghai Futures Exchange* or Article 33 of these *Trading Rules*.

The Exchange’s electronic automated order matching system dictates the start and finish of the call auction session, which is displayed on all computer terminals.

**Article 33** The regime of the Trade Maximization is applied to the fills achieved in the central auction session. The price established during the central auction session shall match the most bids and asks. Bids higher than or asks lower than the price generated from the central auction shall all be executed. Bids or asks at the price of the trade executed during the central auction session shall be executed up to the number of bids or asks, whichever is less.

**Article 34** The unfilled orders in the call auction session shall remain active for matching in the subsequent auction trading session; unfilled orders in a continuous trading session shall remain active for matching in the call auction for the day trading session.

**Article 35** The reference price for a new contract is determined by the Exchange which notifies all Members of this price in advance of the first day of trading. The price limit for the new contract on its first trading day is fixed on the basis of the reference price.

**Article 36** The price limit for a new contract on its first trading day shall be twice the size of the regular price limit, with the trading margin at the ratio set by rules. If trades are executed on the first trading day, the price limit of the next trading day will revert to its regular size as set forth in the contract specifications, and the settlement price on that day shall be determined pursuant to the applicable provisions in Article 38 of the *Clearing Rules of the Shanghai Futures Exchange*; if not, the price limit and margin requirements for that day shall continue to apply on the next trading day, and the settlement price on that day shall be determined pursuant to the applicable provisions in Article 38 of the *Clearing Rules of the Shanghai Futures Exchange*. The reference price of a new contract listed on the first trading day shall be deemed as the settlement price of that new contract on the previous trading day while applying those provisions.

**CHAPTER 5 TRADING CODE**

**Article 37** The Exchange shall implement the Trading code regime. The trading code is the identification code a Member or a Client uses in futures trading activities.

**Article 38** There are two categories of trading codes: one for non-FF Members and one for Clients. The trading codes consist of Member code and Client code.

**Article 39** A Client’s trading code consists of twelve (12) numbers. The first four (4) numbers, the Member code, refer to the Member holding the Client’s account; the remaining eight (8) numbers, the Client code, identify the Client. For example, if a Client trading code is 000100001535, the Member code is 0001 and the Client code is 00001535. A floor representative needs to only input 1535 to identify the Client placing the order.

**Article 40** A non-FF Member’s trading code consists of twelve (12) numbers as the Client trading code does, but the last eight (8) numbers represent the Member code. If the non-FF’s Member code is 120 and its trading code is 012000000120, a floor representative needs to only input 120 to identify the non-FF Member placing the order.

**Article 41** The non-FF Member’s trading code and the Client trading code shall not overlap. Code numbers from 001 to 1000 shall be reserved for the non-FF Member, and a code number from 1001 on shall identify a Client.

**Article 42** Each Client is assigned only one Client code by the Exchange, although it or he may open accounts with different FF Members. Its or his trading codes only differ in the Member code part, whereas the Client code part always remains the same.

Securities companies, fund management companies, trust companies, banks and other financial institutions, social security companies, Qualified Foreign Institutional Investors (QFIIs), RMB Qualified Foreign Institutional Investors (RQFIIs), and other special institutional clients who manage assets under segregated accounts may apply for a trading code in accordance with the relevant rules of the China Futures Market Monitoring Center Co., Ltd. (CFMMC) pursuant to the laws, regulations, rules, and other relevant provisions of China.

**Article 43** An FF Member shall, subject to the Exchange’s requirements, input the Client’s information into the Member service system pursuant to the system’s instructions therein.

**Article 44** The FF Member shall, after inputting the Client’s information as referenced in Article 43, present this information and materials to the Exchange for record. The Exchange shall grant trading access to the Client in the trading system if it deems that those information and materials presented are good.

**Article 45** The grant of trading code shall be withdrawn under any of the following circumstance:

(i) the Client’s information or materials presented to the Exchange for record are false;

(ii) the FF Member applies for cancellation and there are no open positions under the Client’s trading code; or

(iii) other violations of the rules with respect to the trading code.

**Article 46** The Exchange may order the FF Member to liquidate a Client’s positions within a specified time period if its Client submits false information as part of its or his account opening or the FF Member assists it or him in doing so. The Client’s trading access shall be withdrawn and its or his trading code shall be cancelled following the liquidation of its or his positions. The Client shall then be subject to additional sanctions under the *Enforcement Rules of the Shanghai Futures Exchange*.

**CHAPTER 6 MISCELLANEOUS**

**Article 47** Any violations of these *Trading Rules* shall be subject to the sanctions provided in the Enforcement Rules of the Shanghai Futures Exchange.

**Article 48** If there are special provisions in the *Continuous Trading Rules of the Shanghai Futures Exchange* with respect to the Continuous Trading on the suspension of markets, adjustment of the market open and close time, such provisions shall prevail.

**Article 49** If the Exchange has any special provisions on options trading activities, such provisions shall apply.

**Article 50** The Exchange reserves the right to interpret these *Trading Rules*.

**Article 51** These *Trading Rules* shall be implemented effective as of May 26, 2023.