**Measures for Trading Management of Dalian Commodity Exchange**

**(Amended Version)**

**Chapter I General Provisions**

1. The Measures for Trading Management of Dalian Commodity Exchange (the "**Measures** ") are formulated pursuant to the *Trading Rules of Dalian Commodity Exchange* for the purposes of standardizing the futures trading conducts, protecting the lawful rights and interests of the parties to the futures trading and ensuring the smooth conduction of the futures trading of Dalian Commodity Exchange (the "**Exchange**").
2. The Exchange, its Members, the overseas brokers and the clients shall comply with the Measures.

**Chapter II Seat Management**

1. The trading seat is the channel where the Member inputs the trading orders into the Exchange's computer trading system to participate in the trading.

The trading seats shall be divided into the floor trading seats and the remote trading seats. The remote trading means the trading manner which the Member directly inputs the trading orders through the telecommunication system connected with the Exchange's computer trading system at its own business premise to participate in the trading of the Exchange.

1. The Member will obtain one (1) floor trading seat after obtaining its membership. The number of the trading seats may be increased after being approved by the Exchange.

The Member shall be obligated to pay the usage fee of seat to the Exchange in case of the increase of trading seats, the charging standards shall be formulated and promulgated by the Exchange.

1. The increase of trading seats for a Member merely refers to the increase of the Member's trading channels. The Exchange's management rules for such Member's position limit, risk control and otherwise shall remain unchanged.
2. The Member which applies for increasing floor trading seats shall satisfy the following conditions:
   1. having good operation status;
   2. ranking the top fifty (50) members which have the most trading volume within three (3) consecutive months as of the application date, or having a larger number of the Exchange's futures trading; and
   3. other conditions required by the Exchange.
3. The Member which applies for increasing the floor trading seats shall sign an agreement with the Exchange through the Member service system and file an application for increasing trading seats to the Exchange. The contents of the application shall mainly include the types of the seat(s), the scope of execution report and others.

The Exchange may require the Member to provide other materials, if necessary.

1. The Member shall complete the relevant entrance formalities at the Exchange within ten (10) days after the Exchange approves the application for increasing floor trading seat(s). The Exchange is entitled to cancel the floor trading seats applied for by the Member when there is a delay on the entrance formalities without due reason.
2. The Member which applies for a remote trading seat shall satisfy the following conditions:
3. its business operation being in good conditions;
4. the communication and fund transfer conditions of the place where the applicant institution is located satisfying the Exchange's requirements for futures trading operation;
5. having a well-established remote trading management system; and
6. the construction and management of the remote trading system shall comply with the relevant requirements for technical management norms of the China Securities Regulatory Commission ("**CSRC**") and the Exchange.
7. The Member which applies for a remote trading seat shall sign an agreement with the Exchange through the Member service system and submit the following materials to the Exchange:
8. the application for increasing the trading seat(s), the contents of which shall include the type of the seats, the scope of execution report, the installation address, the business license number and others;
9. the photocopy of the business license of the applicant institution that intends to apply for operation;
10. the information of infrastructures and staffing of the remote trading system; and
11. other materials required by the Exchange.
12. The Exchange shall make a reply within twenty (20) days after receiving the application materials for the remote trading seat which are submitted by the Member.
13. The Member shall pay the usage fee of seat to the Exchange within ten (10) trading days after receipt of the reply that the Exchange approves the application for conducting the remote trading. The Exchange is entitled to cancel the remote trading seats which applied for by the Member when there is a delay on payment of the usage fee without due reason.
14. The Exchange shall notify the specific opening date to the Member after the Member files an application for opening the remote trading system.
15. When the Member has opened the remote trading, its floor trading seat(s) shall still be reserved. During the trading period, when the Member's remote trading seat fails to operate normally, the Member shall conduct trading through its floor trading seat.

The Member shall be solely liable for any consequences arising out of or in connection with the abnormal use of the remote trading seat under the circumstance of its failure to send a Floor Trader to be at the floor.

1. The Members shall strengthen the management of their remote trading and the maintenance of the remote trading system. In addition, the Members shall be obligated to keep confidential the software interface, documents and materials provided by the Exchange. The Exchange's prior consent shall be obtained for any replacement or technical readjustment related to the main facilities. The relocation of the remote trading seat from the original registered place shall be subject to the Exchange's examination and approval. The Exchange shall have the right to supervise and inspect the usage of the remote trading seats.
2. The Exchange is entitled to cancel the Member's increased trading seats under any of the following circumstances:
3. any inaccuracy in the application materials provided by the Member;
4. wholly or partially leasing, contracting or otherwise transferring the seat(s) to any other institution or individual;
5. having disordered management or material irregularities;
6. failing to satisfy the conditions for using the increased trading seats;
7. using the increased trading seats to engage in other activities other than trading;
8. the Member applying for the cancellation itself; or
9. other circumstances which will result in cancellation as held by the Exchange.
10. The usage fee of seat will not be refunded in case the Member terminates to use the trading seat or the increased trading seats are cancelled by the Exchange.
11. In case a Member loses its membership of the Exchange, all of its trading seat(s) shall be terminated for use accordingly.
12. In case of the following circumstances, the Exchange may take measures such as adjusting the opening and closing time of the market, suspending trading, adjusting the last trading day, maturity day, last delivery day, handover day or any other date of relevant contracts and other necessary measures:
13. ten percent (10%) or more Members being not able to trade due to the failure in any of the computer systems, communication systems or other trading facilities;
14. thirty percent (30%) or more Members failing to complete the settlement or the initialization of the trading system prior to the market opening; or
15. other circumstances deemed necessary by the Exchange.
16. The Exchange will not handle any application, modification and cancellation of the trading seats during the night trading session.

**Chapter III Management of Floor Traders**

1. A Floor Trader is the person who is appointed by a Member and accepts such Member's trading orders to conduct futures trading on behalf of the Member in the trading floor. The Member shall be liable for any trading activities conducted by the Floor Trader on the trading floor.
2. For application of a Floor Trader's certificate, the applicant shall upload the information of identity, futures practicing qualification certificate and other relevant information as required by the Exchange to the Member service system.
3. Each trading seat only allows two (2) Floor Traders to enter the trading floor unless otherwise approved by the Exchange under special circumstances.
4. The Floor Traders may enter the trading floor to prepare for the market opening thirty (30) minutes prior to the market opening on each trading day and shall leave the trading floor within thirty (30) minutes after the market close. The Floor Traders shall not enter or leave the trading floor without permission unless otherwise approved by the floor affairs managers under special circumstances.

The Floor Traders shall not be absent during the trading sessions, and the Members shall be solely liable for any consequences arising out of in connection with their Floor Traders' absence.

1. The Floor Traders shall wear the effective badge and designated uniform on the trading floor.
2. The Floor Traders shall protect any and all facilities on the trading floor and shall operate the computer equipment and devices on the trading floor in strict accordance with the Exchange's management provisions. Otherwise, the Floor Traders shall be obligated to pay the compensation for any damage thereto as per the prices for any damage thereto and will be punished pursuant to the applicable rules.
3. The Floor Trader's entering or leaving the trading floor with any trading equipment or devices shall be subject to the approval by the Exchange.
4. The Floor Traders shall comply with the management by the Exchange's floor affairs managers.
5. The Floor Traders shall timely deliver the Exchange's documents, notices or other materials to the Member who appoints them.
6. The Floor Trader shall keep the trading passwords in a proper manner. The Member shall be solely liable for any consequences arising out of or in connection with the disclosure of the trading passwords.
7. The Floor Trader shall not commit any of the following acts:
8. accepting the trading orders from any other entity or individual;
9. offering any consultancy opinions to any other entity or individual;
10. conducting futures trading for himself or herself;
11. borrowing, or using without permission, any other Member's telephone or trading terminal;
12. falsifying the Floor Trader's certificate or lending his or her Floor Trader's certificate to others; or
13. any other acts prohibited by the Exchange.
14. In case of a Floor Trader is dismissed or replaced by the Member, or the Floor Trader resigns from the former Member, the Member shall handle the formalities of cancelling authorization in the Exchange promptly, and the Floor Trader's certificate shall be returned. If the Member fails to timely collect the Floor Trader's certificate, it shall notify the relevant division of the Exchange and the Member's liability shall be exempted after receiving the Exchange's acknowledgement of receipt thereof. The Member shall be solely liable for any consequences arising out or in connection with delay in completion of the cancellation formalities or returning the Floor Trader's certificate.
15. For the person whose authorization as a Floor Trader has been cancelled, the Exchange shall not accept his or her registration application for acting as a Floor Trader for other Members within three (3) months except for the circumstances of the consolidation, division or insolvency of the Member or the consent by his or her former Member.

**Chapter IV Trading Sessions, Market Quotation Information, Trading Orders and Bidding Principles**

1. There shall be five (5) trading days (except for the national statutory holidays) with respect to the futures trading in each week. Each trading day shall be divided into the night trading period and day trading period. The night trading period has one (1) night trading session of which the specific trading time to be separately notified by the Exchange. The day trading period which has three (3) trading sessions, respectively the first session from 9:00 through 10:15, the second session from 10:30 through 11:30 and the third session from 13:30 through 15:00. The products which can be traded in the night trading period will be separately published by the Exchange.

The Member may conduct the night trading only after it completes any and all preparation work with respect to the personnel allocation, trading facilities and business policies. The night trading shall be conducted solely through the remote trading seats.

1. The Exchange shall timely release the following information related to the trading:
2. *Opening Price*. In respect of a certain futures contract, the opening price means the trade price generated from the call auction within five (5) minutes prior to the market-opening. In case no trade price is generated from the call auction, the first trade price after the market opens shall be the opening price. The first trade price shall be determined pursuant to Article 45, and then the current price shall be the closing price of the immediately previous trading day, and the current price of the newly listed contract shall be the listing price;
3. *Closing Price*. In respect of a certain futures contract, the closing price means the last trade price of the then-current trading day. The closing price of the contracts with no transaction shall be the then-current settlement price;
4. *Highest Price*. In respect of a certain futures contract, the highest price means the highest trade price during a certain period;
5. *Lowest Price*. In respect of a certain futures contract, the lowest price means the lowest trade price during a certain period;
6. *Last Price*. In respect of a certain futures contract, the last price means the real-time trade price during the trading period on a certain trading day;
7. *Price Change*. In respect of a certain futures contract, the price change means the difference between the last price during the trading period on a certain trading day and the settlement price of the immediately previous trading day;
8. *Highest Bid Price*. In respect of a certain futures contract, the highest bid price means the real-time highest price when the buyer applies for purchase on the then-current day;
9. *Lowest Offer Price*. In respect of a certain futures contract, the lowest offer price means the real-time lowest price when the seller applies for selling on the then-current day;
10. *Bid Quantity*. In respect of a certain futures contract, the bid quantity means the order-placing quantity being applied for purchase at the highest but unclosed price in the Exchange's trading system on the then-current day;
11. *Offer Quantity*. In respect of a certain futures contract, the offer quantity means to the order-placing quantity being applied for selling at the lowest but unclosed price in the Exchange's trading system on the then-current day;
12. *Settlement Price*. In respect of a certain futures contract, the settlement price means the weighted average price of the trade prices during the trading period of the then-current day on the basis of the trading volume. In case of contracts with no transaction, the then-current settlement price shall be determined pursuant to the applicable provisions of the *Measures for Clearing Management of Dalian Commodity Exchange*. The settlement price shall be the basis for settling the profit and loss of the open contracts of the then-current day and for determining the price limits of the immediately following trading day;
13. *Trading Volume*. In respect of a certain futures contract, the trading volume means the unilateral quantities of all the concluded contracts on the then-current day; and
14. *Open Interest*. The open interest means the unilateral quantities of the open contracts held by the futures traders.
15. The listing price of a newly listed contract shall be determined and released in advance by the Exchange. The listing price shall be the basis for determining the price limits of the immediately following trading day.
16. The price limits of the newly listed contract shall be two times as the price limits prescribed for the contract. In case there is transaction concluded on the first trading day, the original price limits prescribed for the contract shall apply on the immediately following trading day, otherwise, the price limits of the immediately previous trading day shall continue to apply on the immediately following trading day. In case there is no transaction concluded for three (3) consecutive trading days, the Exchange may properly adjust the listing price.

With respect to the contract which was once concluded but currently without any open interest, the Exchange may release a new benchmark price for it.

1. The types of the trading orders are as follows:
2. *Limit Order*: the order that is executed to conclude a transaction at a limited price or a better price through the Exchange's computer order-matching system;
3. *Market Order*: the purchase/sale order that is placed at the prices of the price limits in order to participate in the trading through the Exchange's computer order-matching system;
4. *Stop Order*: the order that when the market price reaches the triggering price preset by the client, the Exchange's computer order-matching system will promptly transfer it to be the market order;
5. *Stop Limit Order*: the order that when the market price reaches the triggering price preset by the client, the Exchange's computer order-matching system will promptly transfer it to be the limit order;
6. *Spread Order*: the spread order for the designated contract is provided by the Exchange, and the Exchange's computer order-matching system will conduct the transaction conclusion for all the component contracts within the order subject to the prescribed proportions concurrently after receipt of such order. The spread orders shall be divided into the calendar spread order and the inter-commodities order, with the specific contents listed below:

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| --- | --- | --- |
| **Name** | **Trading Mode (From buyer's perspective)** | **Quotation Mode** |
| Calendar spread order | Long nearby month contract and short back month contract of the same quantity | Long (short) spread price = Bid (offer) price of the nearby month contract - Offer (bid) price of the back month contract |
| Inter-commodities spread order | Long contracts of a certain type of products and a certain month and short the contracts of another commodity and of the same or different month | Long (short) spread price = Bid (offer) price of the first commodity – Offer (bid) price of the second commodity |
| Crush spread order | Short soybean contracts, long soybean meal contracts and soybean oil contracts of the same or different month | Long (short) spread price = Bid (offer) price of the soybean meal contracts + Bid (offer) price of the soybean oil contracts – Offer (bid) price of the soybean contracts |

1. *Other Orders Prescribed by the Exchange*.

The maximum quantity of orders placed each time for futures contracts is stipulated in the detailed rules of the specific futures products.

1. The market order and the limit order may be inputted with two additional characteristics which include FOK (Fill or Kill) and FAK (Fill and Kill).
2. With respect to any product which can be traded during the night trading period, its opening call auction shall be conducted within the first five (5) minutes prior to the opening of the night trading period, and the day trading period for such product shall have no call auction. With respect to any product to which the night trading does not apply, its opening call auction shall be conducted within the first five (5) minutes prior to the opening of the day trading period, of which the first four (4) minutes of the call auction shall be the time of declaration of the buy and sell orders, and the last one (1) minute shall be the call auction matching time.
3. During the call auction declaration period and the continuous trading period after the market opening, the Exchange's computer order-matching system shall accept the declaration for trading orders, the types of which shall be prescribed by the Exchange and released to the market.

During the call auction order-matching period and the suspension period of continuous trading, the Exchange's computer order-matching system will not accept any declaration for trading orders.

1. The Exchange's computer order-matching system shall order the buying and selling declaration orders under the principle of price priority and time priority, and the transaction will be concluded by automatic order-matching when the buying price is higher than or equal to the selling price. The liquidation order for the same open contracts under the same trading code shall be concluded based on the opening time and follow the principle of "first open, first closed".

In case the price of the price limits is declared in respect of a certain futures contract, the order-matching shall be conducted under the principle of liquidation priority and time priority, and the Exchange's forced liquidation declaration forms shall prevail over other liquidation declaration forms.

1. The call auction shall be subject to the principle of trading volume maximization, i.e., the price generated during the call auction shall result in the maximum trading volume. All of the buying declarations which are higher than the price generated from the call auction will be concluded; all of the selling declarations which are lower than the price generated from the call auction will be concluded; and in respect of the buying or selling declarations which are equal to the price generated from the call auction, the declared quantity of at least one party will be concluded. In case there are more than one prices which satisfies the principle of trading volume maximization, the opening price shall be the price most proximate to the settlement price of the immediately previous trading day, and the opening price of the newly listed contract shall be the price proximate to the listing price.
2. The unconcluded declaration forms in the opening call auction shall automatically participate in the continuous trading after the market opens.
3. The trade price shall be equal to the middle one of the buying price ("**bp**"), the selling price ("**sp**") and the current price ("**cp**") after the market opens, that is,

Where bp≥sp≥cp, the last price = sp;

Where bp≥cp≥sp, the last price = cp; or

Where cp≥bp≥sp, the last price = bp.

**Chapter V Trading Code**

1. The Exchange implements the trading code mechanism. The trading code means the special code which is distributed by the Exchange to the Non-Futures Company Members and/or the clients.
2. A domestic client that intends to conduct futures trading shall complete the account-opening formalities at the Futures Company Member in advance.

An overseas client that intends to conduct futures trading may complete the account-opening formalities through the following two methods:

* + 1. in case the client entrusts a Futures Company Member to conduct the trading, the account-opening formalities shall be handled by the Futures Company Member and the application for a trading code shall be filed thereto; or
    2. in case the client entrusts an overseas broker to conduct the trading through the sub-entrustment of a Futures Company Member, the account-opening formalities shall be handled by the overseas broker and the application for a trading code shall be filed thereto. The Futures Company Member that accepts entrustment by the overseas broker shall offer necessary assistance for the overseas broker to handle the foregoing formalities.

An overseas client that opens accounts through both the above methods shall not conduct the futures trading through the same Futures Company Member. The one that opens accounts through different overseas brokers shall not entrust the same Futures Company Member with the futures trading either.

1. The Futures Company Members and overseas brokers shall process the account-opening formalities such as trading code application for the clients according to the requirements of CSRC, the China Futures Market Monitoring Center Co., Ltd. ("**CFMMC**") and the Exchange.

Pursuant to the Chinese laws, regulations, rules and relevant provisions, the companies whose assets are subject to the management under different segregate accounts, such as futures companies, securities companies, fund management companies, trust companies and other financial institutions, as well as any special entity clients such as companies in the category of social security, may each apply for opening a trading code according to the provisions of CFMMC.

1. The trading codes shall be divided into the Non-Futures Company Member trading codes and the client trading codes. The trading code is comprised of the member number and the client number.
2. The client trading code consists of a 12-digit number, with the first four digits being the Member number and the remaining eight digits being the client number. For instance, if a client trading code is 000100001535, then the Member number is 0001 and the client number is 00001535.
3. The number of the digits of the Non-Futures Company Member trading code shall be the same with that of the client trading code, however, with the last eight digits being its Member number. For instance, if the Member number of a Non-Futures Company Member is 120, then its Non-Futures Company Member trading code shall be 012000000120.
4. A Non-Futures Company Member trading code shall not be identical to a client trading code.
5. One client can only have one client number in the Exchange but may open different accounts at different Futures Company Members and overseas brokers. In respect of the trading codes of the same client, only the Member numbers will be different and the client numbers must be the same.
6. Any Futures Company Member or oversea broker which, on behalf of the clients, applies for or deregister the trading code and/or modifies the client data related to the trading code shall submit the application through CFMMC pursuant to the applicable rules with respect to the futures market client account-opening management.

The Exchange shall distribute, issue and manage the trading codes after it receives the client trading code application materials forwarded by CFMMC, and shall provide the handling results of all kinds of applications to the Futures Company Members and the oversea brokers.

The client trading codes may only be used after being examined and verified by the Exchange.

1. The Futures Company Members and the oversea brokers shall ensure that the clients' data and information are true, legitimate, valid and accurate, and shall properly preserve the files of the data and information of the clients' account-opening, change and deregistration for the examination of the Exchange.

The Futures Company Member and the overseas brokers must keep the aforesaid data and information for a period of no less than twenty (20) years.

1. The client trading code will be deregistered under any of the following circumstances:
2. any of the client data or information is inaccurate;
3. the client is determined to be a "prohibited market accessor";
4. the client has completed the deregistration formalities at the Futures Company Member and/or the overseas broker; or
5. any other circumstance which will result in the deregistration.
6. In case a Member loses its membership of the Exchange, all of its trading codes will be deregistered.
7. In case the client provides any false account-opening data or information or the Futures Company Member and/or the overseas broker assists the client to use any false data or information to open an account, the Exchange may order the Futures Company Member to conduct close-out within designated time limit, and the client trading code shall be deregistered after the close-out, and the applicable provisions in the *Measures against Rule Violations of Dalian Commodity Exchange* shall concurrently apply.
8. The Members, the overseas brokers and the clients shall properly manage the trading codes under the good faith principle. In case any Member, overseas broker or client manages the trading codes improperly, due to which the trading code is used by others to commit any rule violation, the Exchange will handle such matter in accordance with the applicable rules.

**Chapter VI Supplementary Provisions**

1. The time herein shall be Beijing time; and the "day" herein shall refer to the trading day unless otherwise explicitly provided herein.
2. Any violation of the Measures will be handled by the Exchange in accordance with the applicable provisions of the *Measures against Rule Violations of Dalian Commodity Exchange*.
3. In case there are special provisions in the detailed rules of the specific futures products, or the Exchange has any other special provisions on options trading, such provisions shall prevail.
4. The Exchange reserves the right to interpret the Measures.
5. The Measures shall come into force on the date of promulgation.

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