

Introduction to DCE Policy for Suitability of Traders of Specified Domestic Futures Product and Account Opening Business

Dalian Commodity Exchange (DCE)

February 2018





01 **Trader Suitability Policy**

02 Account Opening Process

03Filing & Registration Process for
Overseas Brokers



1. Trader Suitability Policy

(1) Scope of application(2) Access requirements

Policy Basis



Measures for Management of Suitability of Traders of Specified Domestic Futures Products of Dalian Commodity Exchange

Access requirementsImplementation requirements

Business Guide for Suitability of Traders of Specified Domestic Futures Products of Dalian Commodity Exchange

(1) Scope of Application

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◆Applied to overseas and domestic clients with accounts opened after the release and implementation of the Measures.





On each day of the five trading days before application,



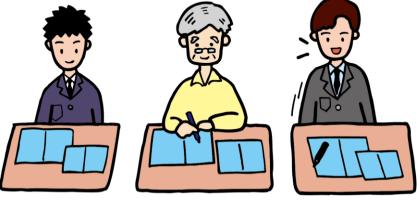
The balance of the available funds shall not be lower than CNY 100,000 or the equivalent of foreign currency.

• Conversion formula: The foreign currency amount \times The then-current day central parity rate of CNY against foreign currency published by China Foreign Exchange Trading System (CFETS) \times The foreign exchange offset discount rate.



Pass the online test on China Futures Association 's examination platform

The test score shall not be less than 80 points.



- Question types: true or false (10 questions), multiple choice (20 questions)
- Knowledge scope: trading, clearing, delivery, risk control, law and other basic knowledge
- Language: Chinese / English
 No requirement for audio and video



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With domestic or overseas futures trading records in recent three years

 No requirement for the number of transactions, no requirement for mock trading

• Domestic trading: the futures trading settlement bills issued by the futures company

• Overseas trading: the record particulars, settlement bills and documents or other certificates with respect to the futures trading



The account-opening institution shall carry out comprehensive assessment over the client's honesty conditions.

• The account-opening institution may require the client to issue the relevant written undertakings.

• The account-opening institution may inquire the client's honest information through relevant platforms.



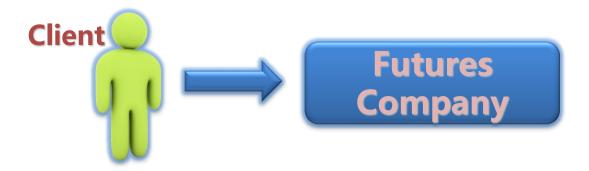
2. Account Opening Business Process and Materials Required

(1) Account opening by overseas client

(2) Account opening by domestic client and application for trading authority



Mode 1: Direct Account Opening



Mode 2: Account Opening via Sub-delegation



• In the mode of sub-delegation, the futures company should conduct some management, but can not view the personal information of the overseas trader.





Direct account opening by overseas client
 VS. Account opening by domestic client

- The account opening process is exactly the same.
- The requirements for ID materials and trading authority settings are different.

Direct account opening by overseas client VS.
Account opening by sub-delegation
The requirements for account opening process and suitability review are different.

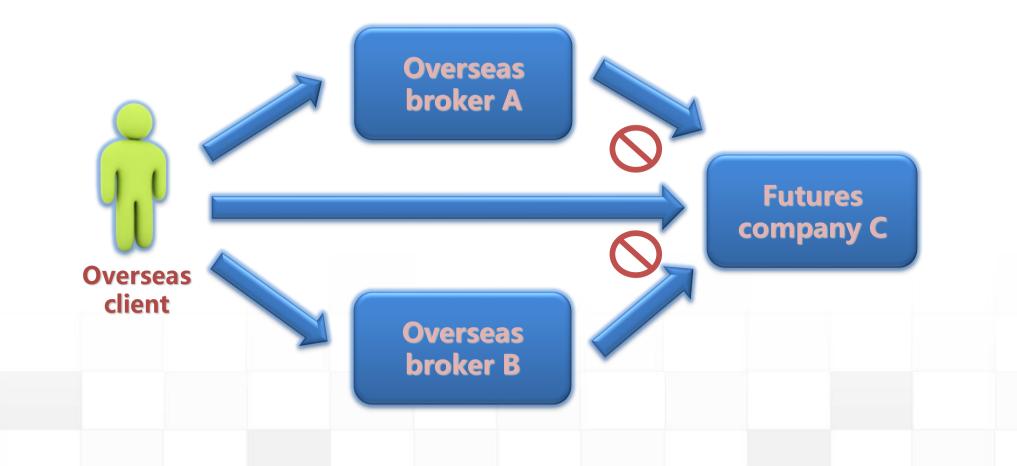
(1) Account Opening by Overseas Client



Category	Materials to be Submitted or Retained	Note
Materials to be Submitted by the account-opening institutions to the Monitoring Center for Opening Accounts for Corporate Clients	Scanning Copy of Business Registration Certificate	Pdf Format
	Scanning Copy of Tax Payment Certificate	Pdf Format
	Document Proving the Client Meets the Requirements for Trader Suitability for Specified Domestic Futures Products	Required in the Sub-delegation Mode, Pdf Format
	Chinese Translation Version of the Form of Application for Trading Code	Pdf Format
	Scanning Copy of the Letter of Authorization Issued by the Company	Pdf Format
	Full-faced Photo of the Agent for Account Opening	Pdf Format
	Scanning Copy of the Identity Document of the Agent for Account Opening	Pdf Format
	Full-faced Photo of the Executive Director or the Legal Representative	Pdf Format
	Scanning Copy of the Effective Identity Document of the Executive Director or the Legal Representative	Pdf Format
	Scanning Copy of the Reference Identity Document of the Executive Director or the Legal Representative	Pdf Format
Materials to be Retained by the Account-opening Institutions	Original Copy of the Form of Application for Trading Code and the Copies of All Above-mentioned Materials	
	The Client's Knowledge Test Report	
	Document Proving the Client's Trading Experiences	
	Document Demonstrating the Balance of the Available Funds in the Client's Margin Account	



♦ An overseas client shall not conduct the futures trading in two channels through one futures company.

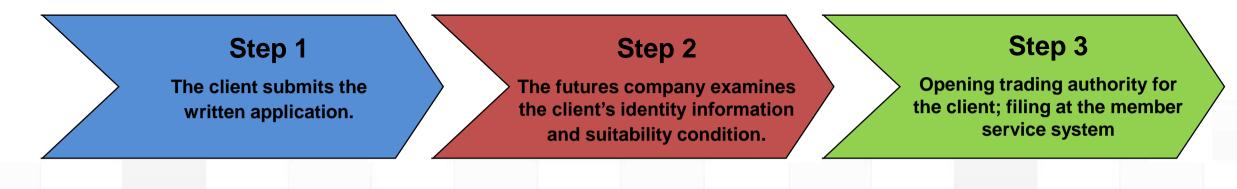


Account opening:

- The process and the materials required remain unchanged.
- The futures company needs to close its trading authority for specified domestic futures products first.

>Application for trading authority:

• The process is the same as that for the options.



(二) 境内客户开户和申请权限







3. Filing & Registration Process for Overseas Brokers

(1) Filing Process

(2) Registration Process

Policy Basis



Measures for Management of Futures Company Members Entrusted by Overseas Brokers with Trading of Specified Domestic Futures Products

- Access conditions
- Filing & registration process
- Materials required

(1) Filing Process



Step1

The futures company and the overseas broker sign the entrustment agreement.

Step2

The futures company submits the written materials to the Exchange.

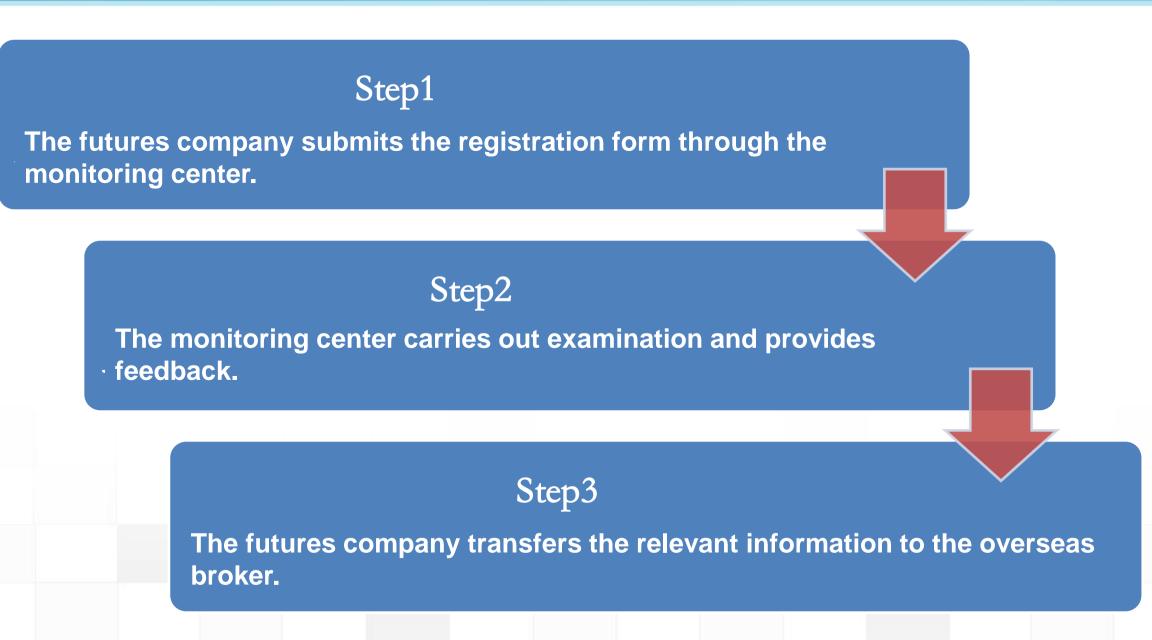
Step3 (Within 15 trading days)

After examination and approval, the Exchange sends the letter of filing confirmation to the futures company.

Step4

The futures company fills in the application on the member service system, and the Exchange conducts the examination and approval.





Materials Required for Filing by Overseas Broker



Materials Required	Note	
1. The filing statement signed by the signing party, and the application form for filing by overseas broker		
2. The copies of the passports or other effective identity documents recognized by DCE, the resumes and the signature cards of the persons in charge of the futures business and the persons in charge of the risk control for the futures business at the overseas broker		
3. The notarized and legally certified materials on the legitimate establishment of the overseas broker		
4. The documents proving the qualification of the overseas broker for the brokerage business in the country (region) where it locates		
5. The materials on the entrustment business system, the internal control system and the risk management system of the futures company member	(With the initial filing completed, it is not necessary for the futures company to provide the materials again.)	
6. The commitment letter		
7. The documents proving that the net capital of the overseas broker is not less than RMB30 million or equivalent in a foreign currency; the document proving the continuing operation of 1 years and more		
8. The entrustment business agreement signed by the overseas broker and the futures company member		
9. The letter of authorization in the case of signing by entrustment authorization signatory		
10. Other materials required by DCE or the applicant		
11. The filing application materials with equal effect		
12. The electronic CD for the application materials, including the above-mentioned written application materials in the electronic and paper forms	If there is any discrepancy between the paper application materials and the electronic documents, the paper application materials will prevail at DCE.	

Thank you!



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