



Dalian Commodity Exchange

China Futures Market Legal Framework and DCE Rules System

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China Futures Market Legal Framework

The State Council promulgated *Regulation on the Administration of Futures Trading* in 2007. The China Securities Regulatory Commission (CSRC) subsequently promulgated several departmental rules to regulate futures exchanges, futures companies, and market participants in the futures market.



Regulation on the Administration of Futures Trading

(highest-level specialized futures legal document
in the China futures market)

- promulgated by the State Council

Departmental Regulation and Regulatory Documents

(refining and supplementing the Regulation
on the Administration of Futures Trading)

- promulgated by the China Securities Regulatory
Commission (CSRC) and other relevant departments

Self-disciplined Rules

- promulgated by futures exchanges and China Futures Association

Regulation on the Administration of Futures Trading

As the highest-level legal document in the current Chinese futures market legal system, *Regulation on the Administration of Futures Trading* has been revised four times in 2012, 2013, 2016 and 2017 since it was enacted in 2007. It regulates futures trading behavior, strengthens the supervision and management of futures trading, maintains the order of the futures market, and protects the legitimate rights and interests of all parties in the futures trading.

Chapter	
Chapter I	General Provisions
Chapter II	Futures Exchanges
Chapter III	Futures Companies
Chapter IV	Basic Rules on Futures Trading
Chapter V	Futures Associations
Chapter VI	Supervision and Administration
Chapter VII	Legal Liabilities
Chapter VIII	Supplementary Provisions

Measures for the Administration of Futures Exchanges

As one of the most important departmental regulations in the futures market, *Measures for the Administration of Futures Exchanges*, specifically strengthens the supervision and management of the futures exchanges, clarifies the responsibilities of the futures exchanges, maintains the order of the futures market, and promotes the positive and stable development of the futures market.

Chapter	
Chapter I	General Provisions
Chapter II	Establishment, Modification and Termination
Chapter III	Organizational Structure
Chapter IV	Management of Members
Chapter V	Basic Business Rules
Chapter VI	Supervision and Administration
Chapter VII	Legal Liabilities
Chapter VIII	Supplementary Provisions

Bylaws & Trading Rules

Formulation and revise procedure: Reviewed by the Members' Meeting and reported to the CSRC for approval

The **Bylaws of Dalian Commodity Exchange** prescribes the organizational structure, business scope and basic responsibilities of the Exchange.

The **Trading Rules of Dalian Commodity Exchange** is the governing rule of detailed rules and business measures of the Exchange, covering many aspects such as products and contracts, trading, settlement, delivery, risk control and so on.

Detailed Rules & Contracts

Formulation and revise procedure: Reported to the CSRC in advance and reviewed by the Board of Governors.

Detailed Rules include **19 General Rules for Trading** and **20 Detailed Rules for Specific Futures Products**.

General Rules for Trading are general provisions related to different futures business, and **Detailed Rules for Specific Futures Products** are the specific provisions for 20 different futures products

Contracts include **20 futures contracts** and **7 options contracts**.

Business Measures

Formulation and revise procedure: Approved by CEO.

The Business Measures are the interpretation and supplement to the Detailed Rules. There are 16 business measures in force, including OTC rules.

General Rules for Trading



General rules are the general management measures that stipulate trading, settlement, delivery, and other futures business.

General Rules for Trading

- 01 Measures for Trading Management of DCE
- 02 Measures for Management of Options Trading of DCE
- 03 Management Measures on Futures Trader Suitability of DCE
- 04 Measures for Market Maker Management of DCE
- 05 Measures for Clearing Management of DCE
- 06 Measures for Designated Depository Banks Management of DCE
- 07 Measures for Delivery Management of DCE
- 08 Measures for Standard Warehouse Receipt Management of DCE
- 09 Measures for Designated Delivery Warehouses Management of DCE
- 10 Measures for Risk Management of DCE
- 11 Measures for Hedging Management of DCE
- 12 Measures for Arbitrage Trading Management of DCE
- 13 Measures for Administration of Abnormal Trading of Dalian Commodity Exchange (For Trial Implementation)
- 14 Regulatory Standards and Handling Procedures for the Measures for Administration of Abnormal Trading of Dalian Commodity Exchange (For Trial Implementation)
- 15 Management Measures of DCE for Accounts Involving Actual Control Relationship
- 16 Measures against Rule Violations of DCE
- 17 Measures for Information Management of DCE
- 18 Measures for Membership Management of DCE
- 19 Measures for Administration of the Futures Company Members Entrusted by Overseas Brokers with Futures Trading Business of Specified Domestic Futures Products

Detailed Rules for Specific Futures Products



Detailed Rules for Specific Futures Products are the summary and integration of personalized provisions of futures products listed on DCE.

Detailed Rules for Specific Futures Products

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| 01 | Detailed Rules of No.1 Soybean Futures of DCE |
| 02 | Detailed Rules of No.2 Soybean Futures of DCE |
| 03 | Detailed Rules of Soybean Meal Futures of DCE |
| 04 | Detailed Rules of Soybean Oil Futures of DCE |
| 05 | Detailed Rules of RBD Palm Olein Futures of DCE |
| 06 | Detailed Rules of Corn Futures of DCE |
| 07 | Detailed Rules of Linear Low Density Polyethylene Futures of DCE |
| 08 | Detailed Rules Polyvinyl Chloride Futures of DCE |
| 09 | Detailed Rules of Coke Futures of DCE |
| 10 | Detailed Rules of Coking Coal Futures of DCE |
| 11 | Detailed Rules of Iron Ore Futures of DCE |
| 12 | Detailed Rules of Egg Futures of DCE |
| 13 | Detailed Rules of Fiberboard Futures of DCE |
| 14 | Detailed Rules of Blockboard Futures of DCE |
| 15 | Detailed Rules of Polypropylene Futures of DCE |
| 16 | Detailed Rules of Corn Starch Futures of DCE |
| 17 | Detailed Rules of Ethylene Glycol Futures of DCE |
| 18 | Detailed Rules of Polished Round-grained Rice Futures of DCE |
| 19 | Detailed Rules of Ethenylbenzene Futures of DCE |
| 20 | Detailed Rules of Liquefied Petroleum Gas Futures of DCE |

Business Measures



Business measures are the interpretation and supplement to the Detailed Rules.

Business Measures

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| Measures for Management of Commodity Swap Business of Dalian Commodity Exchange (Trial Implementation) |
| Measures for Basis Trading Management of Dalian Commodity Exchange (Trial) |
| Measures for Dispute Resolution and Violation Handling of Basis Trading of Dalian Commodity Exchange (Trial) |
| Measures for Management of Designated Depository Banks for Comprehensive Business of Dalian Commodity Exchange (Trial Implementation) |
| Working Measures for Designated Delivery Warehouse Qualification Review of Dalian Commodity Exchange |
| Working Measures for Designated Delivery Warehouse On-site Inspection of Dalian Commodity Exchange |
| Working Measures of Dalian Commodity Exchange for Registered Brands of Futures Delivery |
| Working Measures for Management of Egg Designated FOT Delivery Site of Dalian Commodity Exchange |
| Measures for Management of Commodity Swap Dealers of Dalian Commodity Exchange (Trial Implementation) |
| Measures for Dealer Management of Basis Trading of Dalian Commodity Exchange (Trial) |
| Measures for Standard Warehouse Receipt Trading Management of Dalian Commodity Exchange (Trial) |
| Working Measures for Exclusive Channel of Standard Warehouse Receipt Bank Pledge of Dalian Commodity Exchange |
| Working Measures for Designated Delivery Warehouse Annual Review and Rating of Dalian Commodity Exchange |
| Measures of Dalian Commodity Exchange for Management of the Iron Ore Warehouse Receipt Service |
| Trial Measures for Determination of Iron Ore Brands of Dalian Commodity Exchange |
| Working Measures for Group Delivery Warehouse Qualification Review, Annual Review and On-site Inspection of Dalian Commodity Exchange |