

Dalian Commodity Exchange

Client Onboarding Guide

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This guidance provides a general framework as for how to participate in DCE's market (domestic specified products) as a foreign client. Please be noted that, in China, all actual account opening is completed through futures company members or overseas brokers. Therefore, please consult your futures company or broker regarding detailed account opening process and documentation requirements.

How to participate as an overseas client

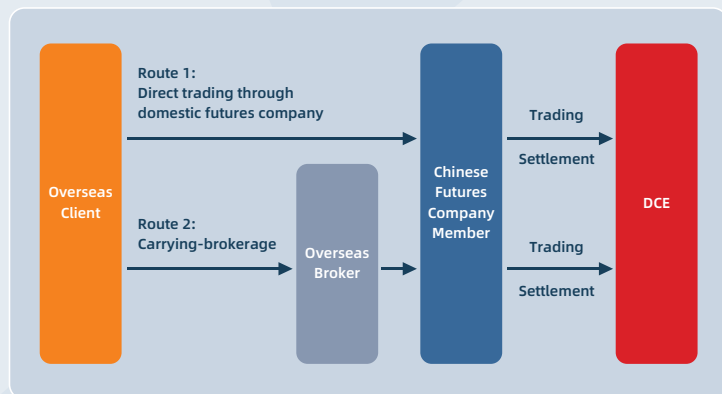
There are two ways that an overseas client can trade at DCE:

1) **Direct Route:** open an account directly through a domestic futures company member.

(An NRA bank account will be required for the client in this circumstance to deposit client's margins, which is subject to related rules and policies other than the futures market regulation)

2) **Carrying-brokerage Route:** open an account through an overseas broker, who then entrust the futures company member to carry out the trading of the specified domestic futures products.

(The full list of DCE filed overseas brokers can be found on our website, which is duly updated)

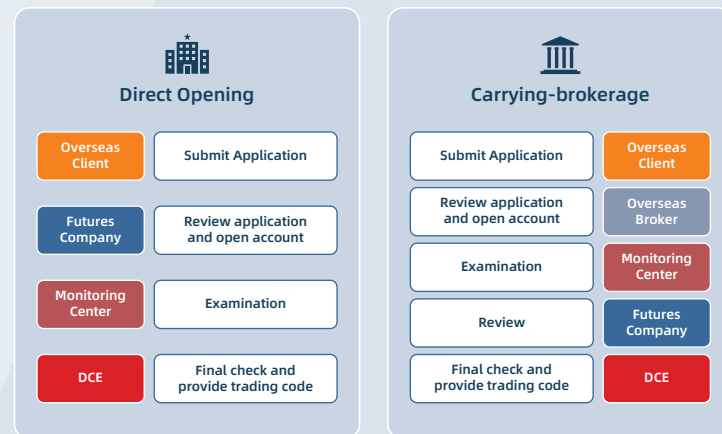


Trading Code

The trading code is a special code which is distributed by the Exchange to the Non-Futures Company Member and/or the client.

- Futures company members and overseas brokers shall conduct the account-opening and other formalities for their clients, and apply for an **exclusive trading code** for each client. Any mixed-code trading is prohibited.
- The 12-digit trading code consists of the member number (first 4 digits) and the client number (remaining 8 digits).
- For the trading codes of the same client, only the Member numbers are different and the client numbers will be the same.
- One client can only have one client number in the Exchange but may open different accounts at different futures company members and overseas brokers.

Account Opening



Note: If a client chooses to open account directly with a Chinese futures company, i.e., in the direct route scenario, a China NRA bank account will be required. For NRA account opening, please consult any of the DCE designated depository banks listed aside.

Trader Suitability

- Any futures company member or overseas brokers shall evaluate the Traders' knowledge and risk tolerance on futures trading, and provide proper products to proper clients accordingly.
- The purposes is to promote the traders to rationally participate in futures trading, protect the legitimate rights and interests of the Traders and secure the stable, standardized and healthy development of the futures market.
- Exemptions may apply for certain types of investors. Please refer to DCE rulebook or your broker for further detailed requirements.



Requirements of Suitability Assessment

Basic Knowledge

- **Knowledge test** - take the online test on China Futures Association's examination platform with test score not less than 80
- **Letter of commitment** - overseas clients may demonstrate their level of knowledge on futures trading by issuing a letter of commitment

Margin Balance

- the daily available funds balance in the margins account shall be no less than CNY 100,000 or equivalent foreign currency for the 5 consecutive trading days preceding the application for the trading code.

Compliance and Integrity

- the account opening institution shall carry out comprehensive assessment over the client's compliance and credit conditions

Trading Experience

- **Simulated trading experience** - records of 20 or more executed orders within a total of no less than ten 10 accumulative trading days of simulated futures or options trading
- **Domestic trading experience** - records of 10 or more executed orders in the trading of futures, options or any other centrally cleared derivative on any domestic trading venue within the last 3 years
- **Overseas trading experience** - records of 10 or more executed orders in the trading of futures, options or any other centrally cleared derivative within the last 3 years on any of the overseas trading venues regulated by its competent futures regulatory authority which has entered into a memorandum of understanding on regulatory cooperation with CSRC

Internal Control for institutional Clients

- having sound internal control, risk management and other futures trading management policies.