

Dalian Commodity Exchange

Trading at DCE

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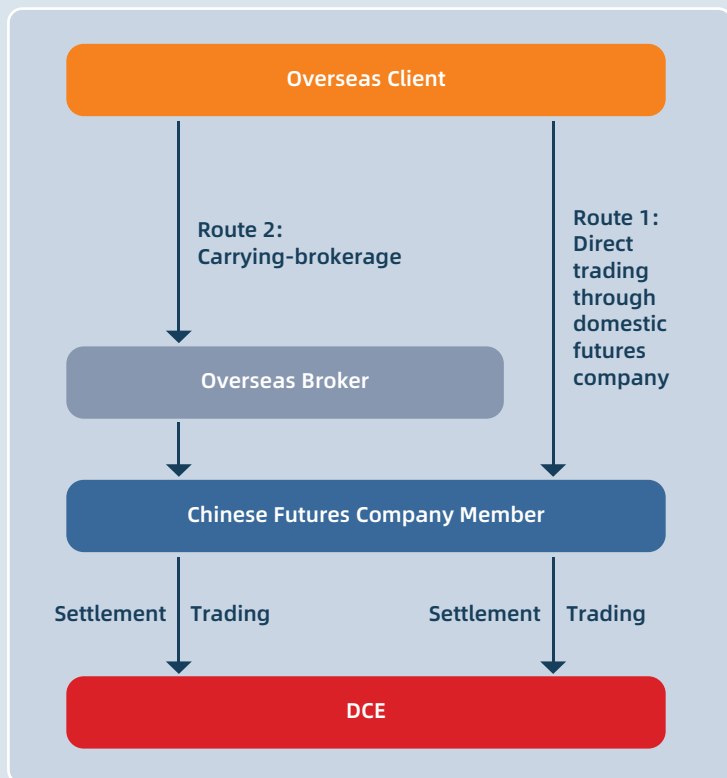


Participants in the Futures Market of DCE

How to participate as an overseas client

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

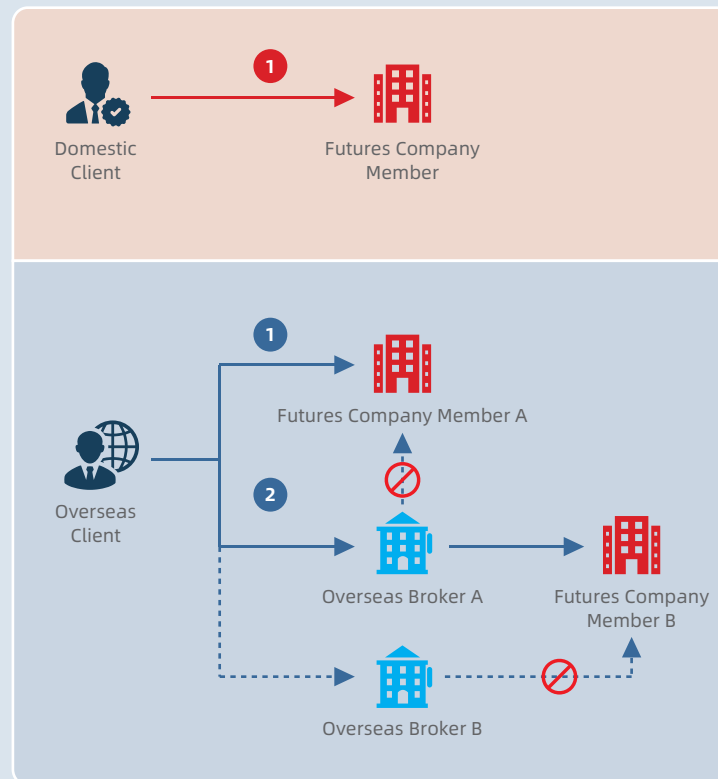
- 1) **Direct Route:** open an account directly through a domestic futures company member.
(An NRA bank account might be required for the client in this circumstance, which is subject to related rules and policies other than the futures market regulation)
- 2) **Carrying-brokerage Route:** open an account 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 timely updated.)



Trading Code

DCE implements the **Trading Code Mechanism**.

- 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

Direct Opening

Overseas Client	Submit Application
Futures Company	Review application and open account
Monitoring Center	Examination
DCE	Final check and provide trading code

Carrying-brokerage

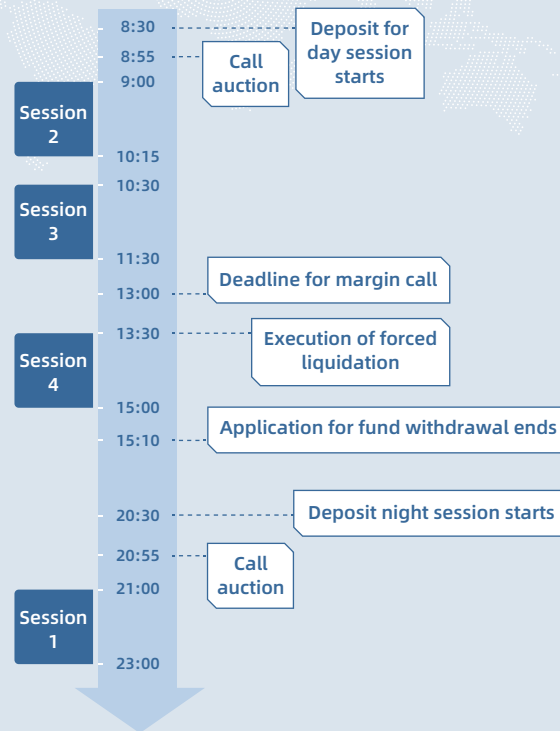
Submit Application	Overseas Client
Review application and open account	Overseas Broker
Examination	Monitoring Center
Review	Futures Company
Final check and provide trading code	DCE

Trading Hours

- 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 is divided into the night trading period and day trading period.
- For products that have night trading sessions, the opening call auction shall be carried out within 5 minutes prior to the opening of night trading sessions (Session 1). Otherwise, the opening call auction shall be carried out within 5 minutes prior to the opening of day trading sessions (Session 2). The first 4 mins during the call auction is the time of entering buy and sell orders, and the last 1 minute is the auction matching time.

Trading Hours (China Standard Time)

Session 1	21:00 ~ 23:00
Session 2	09:00 ~ 10:15
Session 3	10:30 ~ 11:30
Session 4	13:30 ~ 15:00



Trading Orders

Order Types:

- 1) Limit Order
- 2) Market Order
- 3) Stop Order
- 4) Stop Limit Order
- 5) Spread Order
 - Calendar Spread Order
 - Inter-commodities Spread Order

- An investor may use exchange-specified contracts to easily place a spread order. If the DCE does not specify the desired spread contracts, an investor may use a series of limit orders to customize a spread order.
- The market order and the limit order may be attached with FOK (Fill or Kill) and FAK (Fill and Kill).

Trader Suitability

Options contracts



Specified domestic futures contracts

Knowledge on the market and products

Financial Capabilities

Trading Experiences

Compliance and Integrity

- Any Futures Company Member or overseas broker shall evaluate the Trader's knowledge and risk tolerance on futures trading, and provide proper products to proper clients accordingly.
- The purpose is to help traders rationally participate in futures trading, protect the legitimate rights and interests of traders and secure the stable, standardized and healthy development of the futures market.

Requirements of Suitability Assessment

Basic Knowledge

- **Knowledge test**

- carry out the online knowledge test through the futures investor suitability knowledge test platform of China Futures Association with score not less than 80

- **Letter of commitment**

- overseas clients may show their knowledge level required by the Measures by issuing a letter of commitment, and shall bear the consequences of providing false 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 Honesty

- the account-opening institutions shall learn about the clients' honest information through various channels, and carry out comprehensive assessment over the clients' honesty conditions

Trading Experience

- **Simulated trading experience**

- records of no less than 20 executed orders and of no less than 10 accumulative trading days of simulated futures or options trading on any domestic trading venue

- **Domestic trading experience**

- records of no less than 10 executed orders in futures trading, options trading or in trading of other centrally cleared derivatives on any domestic trading venue within the last 3 years

- **Overseas trading experience**

- records of no less than 10 executed orders in futures trading, options trading or in trading of other centrally cleared derivatives 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 Systems of Entity Clients

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

Exemption Circumstances for Suitability Assessment

- 1 When the Account-opening Institutions assess the suitability of the clients which are in the following situations, there is no need to assess the requirements for such clients' basic knowledge and trading experiences. There is also no need to assess the available funds balance by the Account-opening Institutions if the clients have already acquired the trading authority of listed products with higher requirements for available funds balance.

- (1) Clients already with the trading authority for the listed products subject to the suitability system on other domestic commodity futures exchanges;
- (2) Clients already have the trading codes of financial futures;
- (3) Clients already with the options trading authority on domestic stock exchanges;
- (4) Clients, already with the trading authority for the listed products subject to the Exchange's suitability system, applying for the trading authority of other listed products.

2 The Account-opening Institutions shall make full use of the information they have learned and the results of their assessments. The clients which have already passed the suitability assessment and obtained the trading authority of a listed product of the Exchange can automatically obtain the trading authority of other listed products of the Exchange at such Account-opening Institutions, without any need for another suitability assessment or provision of the certification materials.

3 When the Account-opening Institutions apply for the trading codes for or grant the trading authority to the following clients which intend to participate in trading of the listed products subject to suitability system, there is no need to assess the requirements for such clients' basic knowledge, trading experiences and available funds balance.

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- (1) professional investor as defined in the *Management Measures on Futures Trader Suitability of Dalian Commodity Exchange*;
 - (2) client who has obtained the trading authority of any listed contract to which the suitability rules apply, and is applying for trading authority of the same contract through a different Account-opening Institution;
 - (3) client having records of executed orders of futures trading, options trading or in trading of any other centrally cleared derivative on any domestic trading venue, or having Recognized Overseas Trading Records for no less than 50 accumulative trading days during the last year;
 - (4) market maker, special institutional investor or any other trader recognized by the Exchange.

FAQ

1. If one has received a trading code through DCE member, is it necessary to apply again when opening account through another broker?

A: Yes. Each client is required to apply for a unique trading code ID for each account opened with different futures company member.

2. Any restrictions on tax havens, such as Cayman Island, Virgin Island, etc.?

A: There are no technical or policy restrictions on such areas. Cayman Island accounts have been successfully opened. Any application from an area that is not reviewed before will be subject to detailed legal opinion.

3. How to obtain trading data?

A: DCE authorizes all the trading data related business to its wholly owned subsidiary, Futures IT Co., Ltd. Client can obtain trading data through authorized information vendors, futures company members, or reach out to Futures IT Co., Ltd.

4. Is trader suitability test compulsory?

A: Overseas client might sign a commitment letter to confirm that he/she is equipped with necessary futures trading knowledge, apart from taking the trader test.

5. Can the same trader participant apply for account opening with multiple nationality or identity?

A: No.

6. In the circumstance where one overseas participant simultaneously access DCE's market via direct and carrying-brokerage route, or with two or more different overseas brokers, can it open accounts with the same Chinese futures company?

A: No.