Appendix 2

**General Exchange Rules of the Shanghai International Energy Exchange**

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# Chapter 1 General Provisions

1. These *General Exchange Rules of the Shanghai International Energy Exchange* (hereinafter referred to as the “General Exchange Rules”) are formulated, in order to regulate futures trading activities, and protect the interests of all market participants in futures market and the public interests, pursuant to the *Regulations on the Administration of Futures Trading*, the *Interim Measures for the Administration of Overseas Traders’ and Overseas Brokers’ Engagement in the Trading of Specified Domestic Futures Products* (hereinafter referred to as the “Interim Measures”), other relevant laws, regulations and policies of the People’s Republic of China, and the *Articles of Association of Shanghai International Energy Exchange* (hereinafter referred to as the “Articles of Association”).
2. The main business scope of the Shanghai International Energy Exchange (hereinafter referred to as “the Exchange”) is to organize the listing, trading, clearing and delivery of crude oil, natural gas, petrochemical products and other derivatives, formulate business management rules, implement self-regulation, publish market information, and provide services such as technologies, venues and facilities in accordance with the principles of openness, fairness, impartiality and honesty.
3. These General Exchange Rules apply to the futures trading activities organized by the Exchange. The Exchange and its Members, Overseas Special Participants, Overseas Intermediaries, Clients, Designated Delivery Storage Facilities, Designated Depository Banks, Designated Inspection Agencies, information service vendors, and any other participants in the futures market and their employees shall abide by these General Exchange Rules*.*

Overseas Special Participants (hereinafter referred to as the “OSPs”) refer to overseas entities that meet the qualifications prescribed by the China Securities Regulatory Commission (hereinafter referred to as the “CSRC”) and the Exchange, and are approved by the Exchange to directly engage in trading with the Exchange, including overseas traders that directly engage in trading with the Exchange as prescribed in the second paragraph of Article 5 of the Interim Measures and overseas brokers that directly engage in trading with the Exchange as prescribed in the second paragraph of Article 6 of the Interim Measures.

Overseas Intermediaries refer to overseas brokers that do not directly engage in trading with the Exchange but authorize Futures Firm Members or overseas brokers that directly engage in trading with the Exchange to carry out trading and clearing.

# Chapter 2 Listed Products and Contracts

1. The Exchange lists products as approved by the CSRC. The listed contracts include futures contracts, options contracts and other derivatives.
2. A futures contract is a standardized agreement, uniformly formulated by the Exchange, to take delivery of a predetermined amount and quality of underlying assets on a specified date in the future at a specified location.

The main specifications of a futures contract include contract name, product name, contract size, price quotation, minimum price fluctuation, range of price limit, delivery month, trading hours, last trading day, delivery period, deliverable grades, delivery venues, minimum trading margin, settlement type, product symbol, listing exchange and others prescribed by the Exchange.

1. An options contract is a standardized agreement, uniformly formulated by the Exchange, which gives the buyer the right to buy or sell the prescribed underlying asset (including a futures contract) at a specified strike price on a specified date in the future.

The main specifications of an options contract include underlying asset, contract type, contract size, price quotation, minimum price fluctuation, range of price limit, listed contracts, trading hours, last trading day, expiry date, strike price, options style, product symbol, listing exchange and others prescribed by the Exchange.

1. A contract is denominated in RMB or other currencies as prescribed by the Exchange.

The Exchange shall determine the listing price for the newly listed contracts.

1. The appendices to a contract are parts of the contract and equally valid under the law with the contract.

# Chapter 3 Members and Overseas Special Participants

1. Members of the Exchange are classified into Futures Firm Members (hereinafter referred to as the “FF Members”) and Non-Futures Firm Members (hereinafter referred to as the “Non-FF Members”).

The Exchange may admit special Members as deemed necessary for trading or clearing business.

1. OSPs of the Exchange are classified into Overseas Special Brokerage Participants (hereinafter referred to as the “OSBPs”) and Overseas Special Non-Brokerage Participants (hereinafter referred to as the “OSNBPs”).

OSBPs refers to Overseas Brokers that directly engage in trading with the Exchange as prescribed in the second paragraph of Article 6 of the Interim Measures; OSNBPs refers to Overseas Traders that directly engage in trading with the Exchange as prescribed in the second paragraph of Article 5 of the Interim Measures.

1. An applicant applying for a Member or an OSP to the Exchange shall meet the qualifications prescribed by the Exchange and the relevant laws, rules and regulations, and applicable rules of the Exchange.
2. The acquisition, change and termination of memberships or qualifications of OSPs shall be approved by the Exchange and reported to the CSRC, followed by an announcement.
3. Members and OSPs are entitled to the following rights:

1. trading on the Exchange in accordance with the provisions; in addition, Members may conduct clearing, delivery and other businesses directly with the Exchange;

2. accessing the trading facilities provided by the Exchange and obtaining the information and services related to futures trading.

3. exercising the rights specified in the agreement entered into with the Exchange;

4. exercising the petition right in accordance with the General Exchange Rules;

5. any other rights as prescribed by the Exchange.

1. Members and OSPs shall perform the following obligations:

1. complying with the relevant PRC laws, regulations, rules and policies;

2. complying with the Articles of Association, the General Exchange Rules and its implementing rules, and relevant provisions of the Exchange (hereinafter referred to as “business rules”);

3. paying all related fees as prescribed;

4. accepting the supervision of the Exchange;

5. fulfilling the obligations specified in the agreement entered into with the Exchange;

6. An FF Member or an OSBP shall establish, improve and strictly implement business management rules and risk management rules, comply with information disclosure rules, have a full and continuous understanding of the Clients, strengthen Client management, and enhance the monitoring of abnormal trading behaviors by Clients so as to ensure the security of Clients’ assets and transactions; and

7. any other obligations as prescribed by the Exchange.

1. The Exchange shall formulate rules on the management of Members and OSPs, and exercise supervision over Members and OSPs.

The Exchange may impose requirements on the trading operation, risk management and IT system of Members and OSPs where it deems necessary. Members and OSPs shall meet such requirements on a continuous basis, and ensure the safe and smooth operation of their IT systems.

# Chapter 4 Trading

1. Futures trading activities are defined as the buy and sell of futures contracts or options contracts on the Exchange by form of centralized public trading or any other forms approved by the CSRC.

The Exchange may implement Exchange for Physical (hereinafter referred to as the “EFP”). EFP is a process where the buyers and the sellers who hold opposite positions of a futures contract expiring in the same month reach an agreement through negotiation to, upon approval of the Exchange, tender a notice of EFP to have their respective positions in such contract closed out by the Exchange at the price prescribed by the Exchange, and exchange, at the price mutually agreed upon, the warrant of the underlying commodity which has a quantity equivalent to and is identical to or similar with the underlying commodity of the futures contract.

1. Any FF Member, OSBP or Overseas Intermediary shall, before opening accounts for its Clients, fully disclose the risks of futures trading to and conduct assessment of risk tolerance for their Clients, and prudently select Clients in accordance with the Futures Trading Participant Eligibility Management Rules of the Exchange. FF Members, OSBPs and Overseas Intermediaries shall open accounts for their Clients in accordance with the relevant rules of the CSRC, the China Futures Market Monitoring Center Co., Ltd (CFMMC) and the Exchange, and keep the Clients’ materials properly and confidential unless a legal disclosure is required for investigation and examination.

FF Members, OSBPs and Overseas Intermediaries shall provide the relevant materials and information regarding the futures trading to their Clients truthfully, and shall not defraud or mislead the Clients.

If any FF Member, OSBP or Overseas Intermediary violates the provisions of the preceding paragraph, Clients are entitled to file complaints to the Exchange.

1. The Exchange shall implement the trading code system. Trading with aggregated or netted multi-Clients’ positions is not allowed.
2. Futures market participants may apply for trading codes according to the following provisions:

1. Clients, Non-FF Members and OSNBPs shall apply for trading codes to conduct futures trading.

2. FF Members, OSBPs and Overseas Intermediaries shall apply for an exclusive trading code for each of their Clients.

3. Special institutional Clients that manage assets under segregated accounts pursuant to the PRC laws, regulations and applicable rules and measures may apply for a trading code with the Exchange for each of the segregated accounts.

1. A Client may place trading orders through written authorization, telephone, internet or any other means prescribed by the CSRC.

FF Members and OSBPs shall verify the funds and positions of the Clients’ trading orders in accordance with relevant provisions.

1. Trading orders include limit orders and other orders.

A trading order is valid for the day only and may be canceled before being filled, unless otherwise prescribed by the Exchange.

1. FF Members, OSBPs and Overseas Intermediaries shall execute trades according to the authorization of Clients. Unless otherwise prescribed by the Exchange, Clients’ orders shall be timely submitted to the Exchange for bidding, and shall not be matched or netted off the Exchange. All orders must be matched through the Exchange unless otherwise prescribed by the Exchange.
2. The Exchange’s electronic matching system will automatically match buy and sell orders in order of price and time priority, unless under the circumstance where the price limit is reached, or any other special circumstances prescribed by the Exchange.
3. Once trading orders are matched, the trade is concluded, and the Exchange shall send back an execution report in accordance with the rules of the Exchange.

A trade will become effective upon its conclusion in accordance with the business rules of the Exchange. The buyer and the seller of the trade shall bear the trading results and perform the obligations therefrom.

The transaction data recorded in the Exchange’s system shall be used as the concluding result provided that the trade is executed pursuant to the business rules of the Exchange.

1. Members shall obtain and examine the transaction records by the prescribed method after the market close on each trading day.

Any dispute over trades shall be submitted to the Exchange by Members within the prescribed time period. Otherwise, it is deemed that no objection is held against the transaction records.

1. Members and OSBPs shall provide clearing statement to their Clients in accordance with the provisions after the market close of each trading day. Clients are entitled to access the contents of the clearing statement within the time period and by the means prescribed in their contracts.
2. The Exchange shall implement the hedging quota management and the arbitrage quota management.

The quotas of hedging positions and arbitrage positions are subject to the approval of the Exchange.

# Chapter 5 Clearing

1. Clearing refers to the clearing and transfer of funds between parties under the trading results based on the settlement price published by the Exchange.
2. The Exchange shall conduct clearing with Members. Each Member shall conduct clearing with its own Clients, OSPs and Overseas Intermediaries. OSPs and Overseas Intermediaries shall conduct clearing with their Clients.
3. Members and OSPs shall pay the prescribed transaction fees, filing fees, canceling fees, delivery fees and other fees to the Exchange for engaging in futures trading on the Exchange. The fee schedules shall be prescribed by the Exchange.

Members shall collect taxes and charges that shall be levied on Clients and OSNBPs in accordance with the relevant PRC laws and regulations.

1. The Exchange shall implement margin requirements. The Exchange has the right to adjust margin rates in accordance with market conditions.

Margin is classified into trading margin and clearing deposit. The minimum balance of a Member’s clearing deposit shall be otherwise prescribed by the Exchange.

Once approved by the Exchange, funds denominated in foreign (non RMB) currency, standard warrants, treasury bonds and other assets with stable value and high liquidity may be used as margin collaterals. Where funds denominated in foreign (non RMB) currency or other assets are used as margin in accordance with the relevant rules of the Exchange, it shall be deemed that the Exchange is authorized to transfer or collateralize such assets. The Exchange may determine the value of the margin collateral. The transfer, collateralization, and management of the margin collaterals and other related businesses will be separately prescribed.

In the event a Member fully or partially fails to perform its obligation to satisfy the trading margin requirements, the Exchange is entitled to dispose of the margin collateral and give priority to cover the trading margin shortfall and any other indebtedness in connection with the Member’s trading activities with the cash assets realized therefrom. The Member shall assume the losses and expenses arising from the disposition of the margin collateral.

1. Margin charged by the Exchange from Members, margin charged by FF Members from Clients, and margin charged by Members from their carried OSPs and Overseas Intermediaries shall not fall below the margin standard prescribed by the CSRC and the Exchange.
2. Margin charged by the Exchange from a Member belongs to such Member.

Margins paid by an OSP who authorizes the Member to conduct clearing and an Overseas Intermediary who authorizes the Member to conduct trading and clearing are deemed to belong to such OSP and Overseas Intermediary, respectively.

Margins paid by a Client to its Members, OSBPs and Overseas Intermediaries are deemed to belong to such Client.

1. Margin shall be used for trading and clearing only, and shall not be misappropriated. The Exchange and its Members, OSPs, Overseas Intermediaries and Clients shall comply with the margin safekeeping requirements to open bank accounts, deposit margin funds and transfer funds in relation to futures business in accordance with relevant rules.
2. The Exchange shall implement daily mark-to-market.

After the close of each trading day, the Exchange shall settle the profit and loss, trading margin, taxes, transaction fees, delivery payments and other payments for each Member. Members may obtain relevant clearing data through the member service system.

1. A Member shall post additional margin to meet the margin requirements if the balance of the clearing deposit falls below the minimum requirement prescribed by the Exchange.

The Exchange may notify Members that have higher risks during the intraday trading or at the end of the trading day to supplement trading margin in accordance with market risk conditions, and may deduct such supplementary margin from the dedicated accounts of such Members at the Designated Depository Banks.

Members shall make up the margin within the prescribed time period. In the event that a Member fails to make up the margin on time, if the balance of the clearing deposit is greater than or equal to zero (0) but less than the stipulated minimum balance requirement of the clearing deposit, the Member shall not open new position; if the balance of the clearing deposit is less than zero (0), the Exchange is entitled to implement forced position liquidation or take other measures to mitigate risks against the Member.

1. The Exchange shall implement risk reserve.

The Exchange shall collect, manage and use risk reserve in accordance with relevant rules.

1. The Exchange shall retain the data of futures trading, clearing and settlement and delivery for a period of no less than twenty (20) years.

Members, OSPs, Overseas Intermediaries and Designated Depository Banks shall keep any materials, supporting documents and account books of trading, clearing, settlement and delivery, Clients’ complaint files and other business records.

# Chapter 6 Delivery

1. Delivery refers to the process of a buyer and a seller settling contracts, which have not been offset upon maturity, by transferring the ownership of the underlying asset of the contract or making cash settlement at the settlement price upon the maturity of the contract in accordance with the rules of the Exchange.
2. The delivery activities of the futures trading shall be organized by the Exchange.
3. The futures contracts that have not been offset after the last trading day shall be delivered.

The delivery of a matured contract shall only take place in the name of a Member.

The delivery by Clients or OSNBPs shall be conducted in the name of relevant Members, unless otherwise prescribed by the Exchange.

1. The Futures contracts listed on the Exchange shall adopt physical delivery or any other delivery method specified in the contract. The content and procedures of delivery methods shall be prescribed otherwise by the Exchange.
2. The Exchange shall approve and conduct an annual inspection of Designated Delivery Storage Facilities. The details shall be prescribed separately by the Exchange.
3. Where a Member conducts physical delivery, it shall make payments or submit delivery documents to the Exchange before the deadline prescribed by the Exchange.

If there is a difference between the delivered quantity and the futures position quantity within the prescribed tolerance level during the physical delivery, the payment for the difference shall be calculated by the means prescribed by the Exchange.

1. A Member shall not refuse to fulfill delivery obligations under the contracts if any of its Clients, OSPs, Overseas Intermediaries or any other entities, who authorizes it to settle, is in default.
2. Under physical delivery, it is deemed delivery default if the Member as seller fails to deliver standard warrants within the specified time period or deliver commodities which do not meet the prescribed requirements, or if the Member as buyer fails to make payment within the specified time period.
3. Designated Delivery Storage Facilities shall bear the compensation liabilities if the holders of standard warrants are unable to fully or partially exercise the right of standard warrants due to the fault of Designated Delivery Storage Facilities.

The Exchange shall bear compensation liabilities in accordance with PRC laws and regulations, and relevant agreements.

# Chapter 7 Risk Management

1. The Exchange shall implement position limit.

Positions are classified into general positions, hedging positions and arbitrage positions.

The Exchange aggregates the positions bearing actual affiliated relationships. The existence of the actual affiliated relationships shall be determined in accordance with the standards and procedures prescribed in the relevant rules.

1. The Exchange shall implement price limit.

The Exchange may set and adjust the price limit in accordance with the market risk conditions.

1. The Exchange shall implement forced position reduction.

In the event that a same direction Limit-locked Market occurs, which causes market risk to increase significantly, the Exchange has the right to reduce the position on a pro rata basis in proportion to open positions held by the Clients, Non-FF Members and OSNBPs who have net positions with gains in the contract, by matching with the unfilled orders for close-out position placed at the limit price.

1. The Exchange shall implement forced position liquidation.

The Exchange may conduct forced position liquidation if any Member, OSP, Overseas Intermediary or Client fails to timely meet a margin call in accordance with the relevant rules or under other circumstances prescribed by the Exchange.

Profits from forced position liquidation shall be dealt with in accordance with the relevant rules. Costs and losses incurred thereby shall be borne by the party whose position has been liquidated. In the case forced position liquidation fails to be completed in time due to market conditions, any additional losses incurred shall be borne by the party whose position has been liquidated.

1. The Exchange shall implement large trader position report.

Where the open position held by Members, OSPs, Overseas Intermediaries, Clients, or any other entities in a contract reaches the position-reporting threshold set by the Exchange, they shall report to the Exchange about their funds, open position, or other information required by the Exchange. In the event that a Client fails to report, the Members, OSBPs or Overseas Intermediaries authorized by this Client shall report to the Exchange.

The Exchange may adjust the position-reporting threshold in accordance with market risk conditions.

1. The Exchange shall implement risk warning.

The Exchange may, when it deems necessary, take the following measures, solely or in combination, to warn against and mitigate risks: requiring Members, OSPs, Overseas Intermediaries, Clients, or other entities to give an explanation on a specific matter, conducting an interview and giving a verbal alert, issuing a written warning, or making a public risk warning announcement.

1. In the event of a same direction Limit-locked Market or the market risk increases significantly, the Exchange may adjust the daily price limit, increase the margin level, adjust position limit and fees, or conduct forced position reduction, in order to mitigate risk. If the risk cannot be mitigated after the above actions have been taken, the Exchange shall announce an abnormal circumstance and decide any further actions to control risk.
2. Where a Member fails to perform the obligations and responsibilities in relation to the contracts, the Exchange is entitled to take the following actions:

1. suspending opening of new positions;

2. conducting forced position liquidation as prescribed, and apply the margin released after forced position liquidation to perform obligations and compensate for losses;

3. disposing of the assets as margin collateral in accordance with applicable laws;

4. applying the Exchange’s risk reserve;

5. applying the Exchange’s capital.

After performing the obligations and responsibilities on behalf of the Members, the Exchange will exercise the right of recourse to the Members through legal procedures.

1. Where the Exchange has grounds to believe that any Member, OSP, Overseas Intermediary or Client has violated the business rules of the Exchange, which is causing or is expected to cause a significant impact on the market, it may take the following interim actions, in order to prevent further impact caused by the violation:

1. limiting the depositing of funds;

2. limiting the withdrawal of funds;

3. limiting the opening of new positions;

4. raising the margin level;

5. requiring position liquidation within a prescribed time period;

6. implementing forced position liquidation;

The decision to take the interim actions mentioned above shall be made by the Exchange. The adoption of the interim actions under items 4, 5 and 6 mentioned above shall be reported to the CSRC promptly after they are adopted.

Notice of interim actions taken by the Exchange shall be given via written form, recorded telephone calls, video, network data or any other means that can be archived. The Exchange shall give explanation for the grounds of taking the interim actions.

# Chapter 8 Managing Abnormal Circumstances

1. Where any of the following circumstances occurs in futures trading, the Exchange may announce an abnormal circumstance and take emergency actions to mitigate risks:

1. earthquake, flood, fire and other force majeure or computer system breakdown that could not be attributed to the Exchange lead to failure of normal trading;

2. failure to fulfill settlement and delivery obligations is having or is expected to have serious impact on the market;

3. risks remain unmitigated even after relevant actions are taken when circumstances of Article 54 in these General Exchange Rules occur;

4. other circumstances as prescribed by the Exchange.

When the abnormal circumstance stated in item 1 above occurs, the President and CEO of the Exchange may determine to adjust the time for market opening and closing, or temporarily suspend trading; when the other abnormal circumstances above occur, the Board of Directors may determine to adjust the time for market opening and closing, temporarily suspend trading, adjust price limit, raise level of margin, require position liquidation within a prescribed time period, conduct forced position liquidation, suspend withdrawal of funds, or take any other emergency actions prescribed by the Exchange.

1. The Exchange shall report to the CSRC before announcing abnormal circumstances and taking any relevant emergency actions.
2. Where the Exchange announces an abnormal circumstance and decides to suspend trading, the suspension shall be no longer than three (3) trading days, unless otherwise approved by the CSRC.

# Chapter 9 Information Management

1. The Exchange’s information refers to the market data, various transaction data and statistics of all listed products generated in futures trading activities, various announcements and circulars issued by the Exchange and other relevant information to be disclosed as required by the CSRC. The information shall be uniformly managed and published by the Exchange.
2. The Exchange has the exclusive right over all information and information products produced after processing. Without the consent of the Exchange, no entity or individual may use such information for commercial purposes.
3. The information published by the Exchange includes product name, delivery month, open price, last price, price change, close price, settlement price, highest price, lowest price, trading volume, open interest and change thereof, Member ranking by trading volume and position, storage capacity for delivery approved by the Exchange in theory of each Designated Delivery Storage Facility, quantity of standard warrants and change thereof, and other information that needs to be released.

The information shall be regularly published on a real-time, daily, weekly, monthly or annually basis depending on the contents.

1. The Exchange shall take effective means of communication and establish real-time market data and execution report distributing system.
2. The Exchange, Members, OSPs, Overseas Intermediaries, Designated Delivery Storage Facilities, Designated Depository Banks, Designated Inspection Agencies, and information service vendors shall not release false or misleading information.
3. The Exchange, Members, OSPs, Overseas Intermediaries, Designated Delivery Storage Facilities, Designated Depository Banks, Designated Inspection Agencies, and information service vendors shall keep commercial secrets obtained from futures business activities confidential.

Once approved, the Exchange may disclose such information to the relevant regulatory authorities or other relevant entities, and follow corresponding confidentiality rules.

1. The Exchange shall establish remote data backup facilities to ensure the security of transaction data.
2. The Exchange shall be entitled to charge for managing and disseminating information.

# Chapter 10 Self-Regulation

1. The Exchange shall perform self-regulation and supervision in futures trading activities in compliance with these General Exchange Rules and other applicable provisions.
2. The main content of the self-regulation and supervision by the Exchange includes：

1. supervising and inspecting the implementation of the rules, regulations, policies and business rules of the futures market to control market risks;

2. supervising and inspecting the futures trading related business activities and internal management of Members, OSPs, Overseas Intermediaries and Clients;

3. supervising and inspecting the financial status and credit of the Members, OSPs and Clients;

4. supervising and inspecting the futures related business activities of Designated Delivery Storage Facilities, Designated Depository Banks, Designated Inspection Agencies, information service vendors, and other futures market participants;

5. mediating and resolving disputes with respect to futures trading activities, and investigating and handling violations;

6. assisting judicial authorities or administrative enforcement agencies to carry out their public duties;

7. supervising other activities which violate the principles of “openness, fairness, impartiality and honesty” or cause market risks.

1. The Exchange may exercise the following rights when performing its self-regulation and supervision responsibility:

1. accessing and duplicating information and materials relating to futures trading;

2. conducting investigation on and collecting evidence from Members, OSPs, Overseas Intermediaries, Clients, Designated Delivery Storage Facilities, Designated Depository Banks, Designated Inspection Agencies, information service vendors, and other futures market participants;

3. requiring those Members, OSPs, Overseas Intermediaries, Clients, Designated Delivery Storage Facilities, Designated Depository Banks, Designated Inspection Agencies, information service vendors, or other futures market participants under investigation to report, declare, explain and state on any subject which is related to the investigation; and

4. carrying out any other power deemed necessary by the Exchange for performing its self-regulation and supervision duties.

1. The Exchange shall organize futures trading in accordance with the General Exchange Rules. The legal attributes of property rights or derived from activities such as trading, clearing and delivery of executed orders, positions closed, cash received as margin, assets either pledged or transferred as margin collateral, standard warrants paired for delivery, or those actions adopted by the Exchange against any default event, shall not be revoked or considered null and void due to the commence of bankruptcy proceedings against any Member.
2. In the event that a Member enters into a bankruptcy proceeding, the Exchange may still conduct net settlement for such Member’s holding positions in accordance with the General Exchange Rules and the related implementing rules thereof.

In the event that the Exchange is taken over or enters into a bankruptcy proceeding for insolvency, Members may be entitled to conduct net settlement of their own positions in accordance with the General Exchange Rules and the related implementing rules or in accordance with the agreement entered into with the Exchange.

1. The Exchange shall, on an annual basis, inspect a sample portion or the entirety of the Members and OSPs on their compliance with the business rules of the Exchange, and forward the inspection results to the CSRC.
2. The Exchange shall initiate a case to investigate the conduct that is suspected of rule violation.
3. Any Member, OSP, Overseas Intermediary, Client, Designated Delivery Storage Facility, Designated Depository Bank, Designated Inspection Agency, information service vendor, or other futures market participant shall be subject to the supervision of the Exchange with respect to any futures related business activities. The Exchange may, in accordance with relevant rules, impose necessary restrictive measures or take other actions against any of the above persons who provide false or incomplete information, conceal facts, intentionally evade from interrogation, or otherwise prevent or seek to prevent the Exchange from discharging its duties.
4. The Exchange may, after initiating an investigation, take appropriate measures to prevent the deterioration of potential effects from any severe rule violations which a Member, an OSP, an Overseas Intermediary, a Client, a Designated Delivery Storage Facility, a Designated Depository Bank, a Designated Inspection Agency, an information service vendor, and any other futures market participant is suspected of having committed in futures related business activities.
5. Any Member, OSP, Overseas Intermediary, Client, Designated Delivery Storage Facility, Designated Depository Bank, Designated Inspection Agency, information service vendor, or any other futures market participant may complain, appeal or report to the Exchange or the CSRC about any Exchange staff who fail to discharge their supervision duties. The Exchange or the CSRC shall impose sanctions if the complaint is verified.
6. The Exchange shall act in accordance with the Enforcement Rules with respect to the violation of the Exchange’s rules.

# Chapter 11 Liabilities

1. FF Members, special Members, OSBPs shall assume full responsibilities for the relevant futures trades executed in their names. After undertaking the responsibilities, they may demand the recourse from the relevant responsible parties in accordance with laws, rules and regulations, and the rules of the Exchange.

Non-FF Members, OSNBPs and Clients shall assume full responsibilities for the futures trades they executed.

1. If any Member commits a default in physical delivery, the Exchange may require the default Member to bear the liabilities of breaching the contracts in accordance with the relevant rules of the Exchange.
2. Once concluded according to the Exchange’s business rules, the trades shall be legally binding, and shall not be void, variable or revocable due to the defective qualifications or ambiguous declarations of the traders, or the dispute over the resource of the margin. The loss caused from the trading shall be assumed by the traders.
3. As a Central Counterparty, the Exchange carries out centralized clearing of the futures trading, and assumes the liabilities and responsibilities regarding the futures trading in accordance with laws and regulations.
4. The Exchange shall not undertake any liability upon the occurrence of the following situations:
5. the losses incurred are not attributable to the IT system failure of the Exchange;
6. market participants are adversely affected because of the failure of forwarding market data by the Member, information service vendor, public media, or other entities rather than the Exchange;
7. the losses are caused by the emergency measures and interim measures taken by the Exchange;
8. the losses are not caused by the Exchange’s fault.
9. When a Member is declared bankrupt, it shall not be the reason to change or revoke the trading results.
10. When a Designated Depository Bank falls into bankruptcy or any other credit and debt disputes, the margin shall not be regarded as its bankruptcy property, or the frozen or allotted property.
11. In the event that a Designated Delivery Storage Facility falls into bankruptcy or any other credit and debt disputes, the futures commodities deposited by the market participants that do not belong to the Designated Delivery Storage Facilities shall not be regarded as the bankruptcy property of the Designated Delivery Storage Facilities, or the sealed-up or distrained property.

# Chapter 12 Dispute Resolution

1. Any dispute in futures trading between a Member, an OSP, an Overseas Intermediary, a Client, a Designated Delivery Storage Facility, a Designated Depository Bank, a Designated Inspection Agency, an information service vendor, or any other futures market participant may be resolved after consultation, submitted to the Exchange for mediation, or submitted directly to an arbitral institution for arbitration, or to the court for litigation.

Any party who chooses to submit the dispute to the Exchange for mediation shall submit a written application. When an agreement is reached through mediation, the Exchange shall issue a mediation opinion. The opinion will enter into force after the mediation opinion is signed or officially sealed by the relevant parties.

1. Any dispute between the Exchange and a Member, an OSP, an Overseas Intermediary, a Client, a Designated Delivery Storage Facility, a Designated Depository Bank, a Designated Inspection Agency, an information service vendor, or any other futures market participant shall be submitted to an arbitral institution for arbitration, or to a people’s court for litigation in accordance with the PRC laws, regulations and judicial interpretations. The PRC laws shall apply for determining the relevant rights and obligations.

# Chapter 13 Miscellaneous

1. The following terms shall have the following definitions:
2. “Member”  
   A Member of the Exchange is a for-profit legal person or an unincorporated organization which is registered in the Chinese Mainland and approved by the Exchange to engage in futures trading activities at the Exchange pursuant to the relevant laws, rules and regulations, and the Articles of Associations of the Exchange.
3. “Overseas Trader”  
   In accordance with the second paragraph of Article 2 of the Interim Measures, an Overseas Trader is a legal person or an unincorporated organization which is duly established outside of the PRC as prescribed in the Interim Measures, or a natural person with lawful foreign citizenship, to conduct futures trading and bear the trading results.
4. “Overseas Broker”   
   In accordance with the third paragraph of Article 2 of the Interim Measures, an Overseas Broker is a financial institution duly incorporated outside of the PRC as prescribed in the Interim Measures*,* and certified or licensed by the local competent authority to accept funds and trading orders from trading participants and execute futures orders in its own name for its Clients.
5. “Client”   
   A Client is a natural person, legal person or unincorporated organization domiciled in or outside of the PRC which authorizes FF Members, OSBPs, Overseas Intermediaries or any other authorized institution to conduct futures trading and bear the trading results in accordance with PRC laws and regulations.
6. “Central Counterparty”  
   A Central Counterparty is a legal person that interposes itself between counterparties to contracts traded in futures transaction as the seller to every buyer and the buyer to every seller, adopts the net settlement method, and ensures all settlement and delivery for centralized futures trading.
7. “day trading hours”  
   From 9:00AM to 11:30AM and from 1:30PM to 3:00PM, Beijing Standard Time during a trading day. If the trading time is changed, the Exchange will announce it separately.
8. “continuous trading hours”  
   The daily trading time that is not within the period of day trading hours and is otherwise prescribed by the Exchange.
9. “trading day”  
   From Monday to Friday, excluding national holidays, or otherwise prescribed by the Exchange. For those products with continuous trading hours, a trading day covers continuous trading hours of the previous business day and the day trading hours of the day. For those products with only day trading hours, a trading day refers to the period of day trading hours of the day. The daily trading time for each product shall be announced by the Exchange separately.
10. “trading code”  
    Trading code refers to an exclusive code assigned by the Exchange to each Non-FF Member, OSNBP and Client for futures trading.
11. “business day”  
    Any day other than national holidays or weekends as prescribed by the PRC law. Time definition for a “business day” or a “day” refers to 00:00—24:00 Beijing Standard Time.
12. “of the day” or “each day”   
    On a certain trading date or each trading day respectively.
13. “price limit”

The maximum movement the price of a contract may move up or down from the previous daily settlement price during the trading day. Quoting prices beyond such limit will be considered invalid and will not be executed.

1. “Limit-locked Market”  
   Within five (5) minutes prior to the close of a trading day, only bid (ask) orders exist at the up (down) limit price in the book, or all the ask (bid) orders are instantly filled at the limit price.
2. “minimum price fluctuation”  
   The minimum movement of the trading price of the contract.
3. “delivery month”  
   The month in which the delivery is conducted for the contract.
4. “last trading day”  
   The last business day on which a contract is traded.
5. “contract size”  
   The quantity of the underlying asset of each lot of the contract. Trading must be conducted in “one lot” or in multiples of “one lot”. The contract size of different products shall be specified in the contract of the product.
6. “grades and quality specifications”  
   The quality requirements for the underlying asset set forth in the contract.
7. “limit order”   
   An order that must be executed at a specified or better price.
8. “the trading price of a futures contract”   
   The delivery price of the delivery standard commodities of the futures contract in the Designated Delivery Storage Facilities, unless otherwise prescribed by the Exchange.
9. “open price”  
   The executed price of a contract generated through central auction within the five (5) minutes before the market opening. If an executed price is not generated from the auction, the first executed price after the auction shall be the open price.
10. “close price”  
    The last executed price of the day for a certain contract.
11. “daily settlement price”  
    The weighted average price of those trades occurring within the specified period of a trading day of a certain contract in accordance with specified principles. If there is no trading in a trading day, the daily settlement price shall be separately prescribed by the Exchange.
12. “margin”   
    Cash, standard warrants, treasury bonds or other securities with stable value and high liquidity provided by futures trading participants in accordance with the Exchange’s rules to be used in clearing and settlement and to guarantee performance of the trades.
13. “trading margin”  
    The funds deposited by a Member in a dedicated settlement account with the Exchange to ensure the fulfillment of a contract and to be used as margin for the positions held by the Member.
14. “clearing deposit”  
    The funds deposited by the Members and reserved in the dedicated settlement account with the Exchange for the purpose of settlement. It is a type of guarantee fund that is not yet used as margin for the positions held by the Member.
15. “risk reserve”  
    A fund set up by the Exchange to ensure the operation of the futures market and to make up the losses caused by unforeseeable risks by the Exchange.
16. “physical delivery”  
    A type of settlement for matured futures contracts by the paired buyer and seller through the transfer of the ownership of the underlying asset of the contract in accordance with the rules and procedures of the Exchange.
17. “final settlement price”   
    The benchmark price for the delivery of a futures contract.
18. “standard warrant”   
    The standardized certificate for withdrawal that is issued by Designated Delivery Storage Facilities and certified by the Exchange.
19. “Designated Delivery Storage Facilities”  
    Delivery venues designated by the Exchange to perform the physical delivery of the contract.
20. “Designated Depository Banks”  
    Banks designated by the Exchange to engage in the futures margin custodian business.
21. “Designated Inspection Agencies”  
    Inspection agencies designated by the Exchange to engage in the inspection of any commodity specified in the futures contract.
22. “position limit”  
    Maximum position allowed to be held by a Member, an OSP, an Overseas Intermediary or a Client.
23. The “PRC” is the People’s Republic of China. Any reference to time adopts Beijing Standard Time. Unless otherwise stated, the “state” refers to the PRC. In all the sentences that contain “no less than”, “no more than” or “within” a certain number, the certain number shall be counted in.
24. Notices and documents issued by the Exchange may be delivered by the following methods and will be deemed effective in accordance with the following provisions:
25. If the notices and documents are delivered in written form and in person, the effective date shall be the day of delivery;
26. If the notices and documents are delivered by telephone or telegraph, the effective date shall be the day of the recipient’s acknowledgement;
27. If the notices and documents are delivered by fax, the effective date shall be the day the fax is successfully sent to the fax number designated by the recipient;
28. If the notices and documents are delivered by a courier recognized by the Exchange, the effective date shall be the fifth (5th) day of dispatch in the Chinese Mainland and the tenth (10th) day of dispatch outside of the PRC;
29. If the notices and documents are delivered by email or other electronic messaging system, the effective date shall be the day the notice enters the recipient’s designated electronic messaging system; if no electronic messaging system is designated, the effective date shall be the first time the notice enters any system of the recipient;
30. If the notices and documents are delivered by public circular, once the circular is published, all the recipients are deemed to have received the notice on the first day of the circular publication;
31. Other methods prescribed by the Exchange.

The day on which a notice or document is returned shall be deemed as the day of receipt, if the notice or document is not actually received by the recipient due to the following reasons: the address provided or confirmed by the recipient is incorrect; the recipient refuses to provide the address; the recipient fails to timely notify the Exchange of a change of address, or the recipient or the agent designated by the recipient refuses to sign the receipt thereof.

If the Exchange sends a notice by multiple methods, the earliest time the notice is received shall be the time of receipt.

1. The Exchange may formulate implementing rules in accordance with the General Exchange Rules.

The Exchange may formulate market-maker rules.

Other matters related to the options contract may be prescribed by the Exchange separately.

1. Matters not provided in the General Exchange Rules, which relate to Overseas Intermediaries accepting the authorization of overseas Clients to conduct the trading of specified futures products in the PRC, shall be otherwise prescribed by the Exchange.
2. The Exchange reserves the right to interpret the General Exchange Rules.
3. The formulation and amendment of the General Exchange Rules shall be approved by the general meetings of the Exchange and then be reported to the CSRC for approval.
4. These General Exchange Rules shall be effective as of May 11th, 2017.