Appendix 4

**Designated Delivery Storage Facilities Rules**

**of the Shanghai Futures Exchange**

**(Amended)**

**Article 7** After securing the Exchange’s certification, a designated delivery storage facility shall:

(iii) pay the required risk collateral performance deposit;

**Article 9** Any designated delivery storage facility whose certification is being forfeited or revoked shall:

(iii) claim the refund of its risk collateral performance deposit in accordance with the rules of the Exchange.

**Article 12** A designated delivery storage facility is obligated to:

(vii) pay the risk collateral performance deposit;

**Article 15** Load-in is the first stage of goods storage, consisting of the following steps:

(iii) Load-in and issuance of standard warrants. The designated delivery storage facility may complete the load-in procedures only after the goods in question pass the acceptance inspection or after all issues uncovered during the inspection are resolved. The load-in procedures consist of:

* registering the load-in in its record;
* setting up identifier to the goods in question;
* creating a file for the goods; and
* issuing standard warrants as per the owner’s requirements and the rules of the Exchange.

**Article 18** At load-out, the designated delivery storage facility shall verify the load-out documentation before releasing the goods and, on the day the load-out is completed:

* add and cancel relevant entries in the storage record;
* organize and cancel the corresponding documents and certificates;
* clean the facility;
* put storage stacks in order; and
* notify the carrier of the shipment plan for any goods to be consigned.

**Article 19** Goods title transfer. A designated delivery storage facility processing a title transfer shall keep proper record of the proceedings and duly add or cancel relevant entries in the storage record.

**Article 21** A designated delivery storage facility shall maintain a separate record for the goods for futures delivery.

**Article 23** The Exchange will cover the following aspects in its audit:

* warehousing facilities;
* appearance;
* business capacity;
* performance;
* records management;
* member satisfaction; and
* other areas deemed necessary by the Exchange.

**Article 24** A designated delivery storage facility shall pay a risk collateral performance deposit to the Exchange as security for performance of obligations. If no indemnification arises, the Exchange will transfer interest on the risk collateral performance deposit to the designated delivery storage facility accrued at the prevailing current deposit rate set by the People’s Bank of China; if the designated delivery storage facility is required to indemnify another party, the Exchange will first apply the risk collateral performance deposit toward the indemnity, where such risk collateral performance deposit is insufficient to cover the indemnity, the Exchange is entitled to recover the shortfall from the designated delivery storage facility.

The amount and payment method for the risk collateral performance deposit are specified in the Designated Delivery Storage Facility Agreement.