*The guidelines of the Shanghai Futures Exchange are made in Chinese. The English version of such guidelines is for reference only and shall have no legal effect.*

**Operational Guidelines for the Futures Trading Participant Eligibility Rules of the Shanghai Futures Exchange**

These *Guidelines* are formulated pursuant to the *Futures Trading Participant Eligibility Rules of the Shanghai Futures Exchange* (hereinafter referred to as “*Rules*”) to implement trader eligibility rules for options and specified futures products and to regulate the operations of Futures Firm Members (hereinafter referred to as “FF Members”).

**I. Trading Access Management Requirements**

(1) Trading access shall apply to the trading code management. . After the Client who has passed an eligibility assessment or has met the requirements for exemption from such assessment obtains a trading code, an FF Member shall, as requested by the Client, apply for the trading privileges in relevant products on behalf of the Client.

(2) An Client that met the requirements may apply to its FF Member in writing to further obtain or terminate the trading access in listed products.

**II. Basic Knowledge Requirements**

Individual Clients and related business personnel of institutional Clients shall personally have basic knowledge of futures trading and a good understanding of the trading rules of the Shanghai Futures Exchange (hereinafter referred to as the “Exchange”). An FF Member may obtain an understanding of its Clients’ level of futures trading knowledge through knowledge test.

A Client shall be eligible only after obtaining a score of eighty (80) out of one hundred (100) in an online test taken through the futures investor eligibility test platform of China Futures Association (hereinafter referred to as “CFA”). Individual Clients and the authorized order placers of institutional Clients shall take the knowledge test in person rather than having others to take such test on their behalf.

**III. Trading Experience Requirements**

(1) Simulated trading experience. Simulated futures trading experience recognized by the Exchange includes experience of simulated futures or options trading through the joint testing systems and simulated systems of the Exchange and other domestic trading venues. A Client shall provide such documents as settlement statements for simulated trading issued by institutions such as securities companies or futures firms to prove its track record of having executed twenty (20) or more simulated trades within a total of no less than ten (10) trading days.

(2) Domestic trading experience. A Client shall provide such documents as settlement statements for futures trading issued by institutions such as securities companies or futures firms to prove its track record of having executed ten (10) or more futures, options, or other centrally cleared derivatives trades (such as swaps cleared through Shanghai Clearing House).

(3) Overseas trading experience. A Client shall provide a detailed record of futures trades executed on an overseas trading venue under the regulation of a foreign futures regulator who has entered into a memorandum of understanding with the China Securities Regulatory Commission (hereinafter referred to as “CSRC”), or settlement statements or other documents for such trades to prove its track record of having executed ten (10) or more futures, options, or other centrally cleared derivatives trades (such as swap trades) (hereinafter referred to as “Recognized Overseas Execution Record”).

(4) An order the execution of which involves more than one trade shall be deemed as a record of one trade. All trading records mentioned above shall be issued for live (simulated) trades.

**IV. Available Funds Requirements**

1. The balance of the margin account of an FF Member’s Client shall be calculated based on the FF Member’s margin requirements.

2. Timeline requirements

An FF Member who applies for a trading code or access on behalf of its Client shall confirm that, the Client’s balance of the margin account at the FF Member after daily clearing during the five (5) trading days prior to the day of application shall not be less than the amount required by the Exchange.

**V. Compliance and Credit Requirements**

1. An FF Member shall try to obtain its Client’s credit information through various channels and carry out an integrated assessment of the Client’s credit standing by using China’s relevant credit reference system. The FF Member shall clearly inform its Clients of rules and requirements for prohibitions or restrictions on futures trading.

2. An FF Member shall inquire about its Client’s credit standing through such means as the CSRC’s Securities and Futures Market Illegality and Dishonesty Record Inquiry Platform, the CFA’s Industry Information Management Platform, and the list of persons with serious dishonesty related to finance. Moreover, the may require its Client to provide a written undertaking for its satisfaction of the compliance and credit requirements in the *Rules* and to be liable for any consequences resulting from the untruthfulness of such undertaking.

**VI. Internal Institutional Requirements for Institutional Clients**

To apply for a trading code oraccess, an institutional Client shall have sound internal control rules, risk management rules, and other rules relating to the management of futures trading, including, but not limited to trading decision-making rules as well as rules or procedures for order submission, funds transfer, and physical delivery and risk management

**VII. Exemptions from Eligibility Assessment in Part or in Whole**

1. When conducting an eligibility assessment on its Client who meets the following requirements, each FF Member may exempt the Client from the assessment of basic knowledge and trading experience requirements and, if the available funds requirements for listed products subject to eligibility rules the trading of which the Client has participated in are not lower than those for products the trading of which the Client newly applies to participate in, may further exempt the Client from the assessment of available funds requirements.

(i) Having held the trading access in products subject to eligibility rules listed on other domestic commodity futures exchanges;

(ii) Having held a trading code for trading in financial futures;

(iii) Having held the trading access in options on domestic stock exchanges; and

(iv) Having obtained a trading code from the Exchange, held the trading access in products subject to eligibility rules and listed on the Exchange, and applied for the trading access in other products listed on the Exchange.

The Client shall provide supporting materials for such qualifications.

2. When performing an eligibility review of its Client, an FF Member shall make full use of the acquired information and the available assessment results , may allow the Client’s items already assessed not to be subject to an eligibility assessment again, and may not repeatedly require supporting materials from the Client.

 3. When applying for a trading code for or the trading access in listed products subject to eligibility rules on the behalf of any of its following Clients, an FF Member may exempt the Client from the assessment of basic knowledge, trading experience and available funds requirements:

(i) professional investors as defined in the *Measures for the Eligibility Management of Securities and Futures Investors*;

(ii) Any Client who, after having obtained the trading accessin a product subject to eligibility rules, applies for the trading accessin such product through another FF Member. Such Client shall provide supporting materials for its holding of such tradingaccess;

(iii) Any Client who has a track record of having executed futures, options or other centrally cleared derivatives trades on domestic exchanges or a Recognized Overseas Execution Record within a total of no less than fifty (50) trading days in the previous year. Such Client shall provide trading records, settlement statements, or other documents, proving that such trades have been executed; or

(iv) Other traders recognized by the Exchange including market makers and Special Institutional Clients.

Special Institutional Clients refers to institutional Clients who are required to manage assets under segregated accounts in accordance with laws, administrative regulations and rules, including, but not limited to, futures firms, securities companies, funds management companies, trust companies and other financial institutions as well as social security companies and Qualified Foreign Institutional Investors.

**VIII. Other Requirements**

1. The requirements for application materials of trading codes shall be also applicable to those of tradingaccess. An FF Member shall keep its Clients’ documents, such as the supporting materials for their satisfaction of basic knowledge, trading experience, available funds, and compliance and credit requirements under the eligibility rules and their trading access applications, as account opening materials.

The Clients may not provide any declaration, representation, explanation, or statement which are false or misleading, or omit any material facts.

2. An FF Member shall, within three (3) trading days after its Client has obtained the trading access in a listed product subject to eligibility rules, file with the Exchange the trading code associated with such tradingaccess. If the account of the Client has been canceled or if the Client’s trading access has been terminated due to the Client’ failure to continue to satisfy the eligibility requirements, the FF Member shall cancel the filing of such trading access within three (3) trading days.

3. If information available to an FF Member shows that its Client has relevant execution record , the FF Member may exempt such Client from providing relevant supporting materials.

Upon the request of its Client, an FF Member shall, where appropriate, issue supporting materials such as those for the Client’s trading experience and tradingaccess.

**IX. Supplemental Provisions**

1.The Exchange reserves the right to interpret these Guidelines.

2.These Guidelines shall take effect as of the date of promulgation. The Operational Guidelines for the Options Investor Eligibility Rules of the Shanghai Futures Exchange shall be repealed simultaneously.