**Appendix 12:**

# DESIGNATED DEPOSITORY BANKS RULES OF SHANGHAI FUTURES EXCHANGE

# (revised)

## CHAPTER 1 GENERAL PROVISIONS

**Article 1** These *Designated Depository Banks Rules* are made in accordance with applicable laws and regulations, relevant provisions of regulatory authorities, and the rules of the Shanghai Futures Exchange (the “Exchange”) to regulate the futures margin depository business on the Exchange and ensure the safety of the futures margin under custody and the smooth conduct of futures trading.

**Article 2** The Exchange, aiming to support the futures market, will designate futures margin depository banks (“Designated Depository Banks”) prudently, and will duly designate and supervise them pursuant to these *Designated Depository Banks Rules* to ensure they conduct futures margin depository business according to law.

**Article 3** Designated Depository Banks shall comply with laws, administrative regulations, administrative rules, and the rules of the Exchange, and shall accept the self-regulatory measures of the Exchange.

## CHAPTER 2 APPLICATION

**Article 4** Futures margin depository business at the Exchange is classified into margin depository business for domestic Clients and margin depository business for overseas Clients.

“Margin depository business for domestic Clients” refers to the margin depository business related to Members and domestic Clients; “margin depository business for overseas Clients” refers to the margin depository business related to Overseas Special Participants (“OSPs”), Overseas Intermediaries, and overseas Clients.

The margin depository business for Qualified Foreign Institutional Investors (QFIIs) and RMB Qualified Foreign Institutional Investors (RQFIIs) (“Qualified Foreign Investors (QFIs)”) that engage in futures trading and related activities in the Chinese Mainland is managed as margin depository business for domestic Clients.

**Article 5** An applicant that applies to be a Designated Depository Bank shall meet the following requirements:

(i) being a nationwide bank incorporated in the Chinese Mainland with legal person status;

(ii) meeting the relevant requirements of the banking regulatory authority of China, including capital adequacy, liquidity, and asset-liability ratio;

(iii) having sound corporate governance, risk management framework, and internal control;

(iv) having a dedicated institution or department in charge of futures margin depository business;

(v) having in place a robust futures margin management framework with internal control and operating procedures for futures funds settlement business, as well as contingency plans for IT or telecommunication system breakdown and other abnormal conditions;

(vi) having the necessary facilities and technologies to conduct futures margin depository business and support the monitoring of the safe deposit of futures margin, including a cross-city funds transfer system that has been operating efficiently and stably in the most recent three (3) years, a nationwide real-time intra-bank transfer system, and a robust nationwide centralized bank-futures transfer system;

(vii) having a branch (“Designated Branch”) located within a specified distance of the venue designated by the Exchange for handling futures margin depository business and settlement-related activities. No less than three (3) staff members at the Designated Branch and all the staff members at the dedicated futures settlement counter shall be licensed as futures market professionals. In addition, the managers at such Designated Branch shall have no less than five (5) years of work experience in the banking industry;

(viii) having stable system operation, and no record of severe violations of laws or regulations, major accidents, or major administrative penalties imposed by any regulatory authority during the most recent three (3) years;

(ix) having neither pending litigation nor outstanding debts that may cast material impact on its credit standing; and

(x) meeting any other requirements prescribed by the Exchange.

**Article 6** A Designated Depository Bank that intends to engage in margin depository business for domestic Clients shall meet the requirements under Article 5 of these *Designated Depository Banks Rules* and the following criteria:

(i) having a registered capital of no less than ten billion yuan (RMB10,000,000,000), and having been profitable in each of the last three (3) fiscal years;

(ii) having no less than one thousand and five hundred billion yuan (RMB1,500,000,000,000) in total assets and no less than one hundred billion yuan (RMB100,000,000,000) in net assets; and

(iii) having no fewer than six hundred (600) outlets in the Chinese Mainland.

Article 5(i) and paragraph 1 of this Article do not apply to a custodian bank for QFIs that applies to conduct futures margin depository business solely for the QFIs to which it provides custodian service.

**Article 7** A Designated Depository Bank that intends to engage in margin depository business for overseas Clients shall meet the requirements under Article 5 of these *Designated Depository Banks Rules* and the following criteria:

(i) having a registered capital of no less than five billion yuan (RMB5,000,000,000), and having been profitable in each of the last three (3) fiscal years;

(ii) having no less than one thousand and five hundred billion yuan (RMB1,500,000,000,000) in total assets and no less than one hundred billion yuan (RMB100,000,000,000) in net assets; or having no less than thirty billion yuan (RMB30,000,000,000) in total assets and no less than five billion yuan (RMB5,000,000,000) in net assets, with its parent company having no less than one thousand and five hundred billion yuan (RMB1,500,000,000,000) or its equivalent in foreign currency in total assets and no less than one hundred billion yuan (RMB100,000,000,000) or its equivalent in foreign currency in net assets; and

(iii) being a direct clearing member of the relevant High Value Payment System (HVPS) or having correspondent banking relationship with such a direct clearing member, thereby being able to ensure efficient, real-time funds transfers in RMB and foreign currencies in the Chinese Mainland. In addition, the applicant or its controlling parent company shall have branches in three (3) or more global or regional financial centers which are capable of conducting futures margin depository business and settlement-related activities.

**Article 8** An applicant that applies to be a Designated Depository Bank shall submit the following application materials bearing its common seal to the Exchange:

(i) the Futures Margin Depository Bank application form, an application report, a feasibility report, and a business plan;

(ii) a statement on its branches, banking offices, as well as the facilities necessary for futures margin depository business;

(iii) the futures margin depository management framework, internal management rules, as well as relevant contingency plans;

(iv) a description of the roles and responsibilities of the futures margin depository business department, name lists and resumes of the department head and staff respectively;

(v) an applicant for margin depository business for overseas Clients shall provide materials certifying its status as a direct clearing member of HVPS or its correspondent banking relationship with a direct clearing member of HVPS;

(vi) a written commitment to comply with relevant provisions on monitoring the safe custody of futures margin;

(vii) a photocopy of the latest annually reviewed Enterprise Legal Person Business License;

(viii) a photocopy of its Financial License;

(ix) audit reports and internal control evaluation reports for the most recent three (3) years;

(x) letters of authorization from the enterprise legal person and the identification documents of the individuals in charge of the application filing; and

(xi) other documents prescribed by the Exchange.

**Article 9** An applicant that has passed the preliminary review of the Exchange to become a Designated Depository Bank shall, pursuant to the requirements of the Exchange and China Futures Market Monitoring Center Co., Ltd. (“CFMMC”), pass the relevant business, technology, telecommunication equipment, and other requisite tests, and subsequently provide the following materials to the Exchange:

(i) certifying documents issued by the CFMMC for passing the data reporting test with respect to the monitoring of the safe custody of futures margin;

(ii) overview of its completion of various tests related to the nationwide centralized bank-futures transfer system and the BECK futures funds management system with futures market participants such as Members and OSPs;

(iii) a photocopy of the Business License of the Designated Branch; and

(iv) other documents prescribed by the Exchange.

**Article 10** A Designated Depository Bank shall, within three (3) business days upon the grant of qualification by the Exchange, report to the banking regulatory authority of China.

**Article 11** A Designated Depository Bank with qualification shall, prior to conducting the futures depository business, enter into an *Agreement for Banks Engaging in Futures Margin Depository Business* (“Business Agreement”) with the Exchange, specifying the rights and obligations of both parties.

## CHAPTER 3 OPERATIONAL REQUIREMENTS

**Article 12** A Designated Depository Bank shall provide its futures margin depository Clients with safe, accurate, and timely futures margin deposit and transfer services.

**Article 13** A Designated Depository Bank shall establish branches in region(s) where futures margin depository business is conducted. The Designated Branch shall set up a dedicated futures settlement counter to provide exclusive services to the Exchange and Members.

**Article 14** A Designated Depository Bank shall adjust its business hours based on any adjustment in the trading and clearing hours of the Exchange, so as to meet the needs of futures margin depository business.

**Article 15** A Designated Depository Bank shall open, change, or close the futures dedicated fund accounts based on the account update notices issued by the Exchange. The transfer of funds executed between the Exchange and a Member related to futures trading on the Exchange shall be conducted between the dedicated settlement account of the Exchange and the futures dedicated fund account of the Member.

A Designated Depository Bank that engages in the margin depository business for overseas Clients shall, in accordance with the regulations of the People’s Bank of China and the State Administration of Foreign Exchange (“SAFE”), open futures-related bank accounts for the Exchange, Members, OSPs, Overseas Intermediaries, and overseas Clients.

**Article 16** A Designated Depository Bank shall implement close-ended operation of the futures margin, and execute the deposit and withdrawal of futures margin via electronic transfer in accordance with the relevant provisions on the safe custody of futures margin.

A Designated Depository Bank shall conduct foreign exchanges for the Exchange and Members in accordance with the regulations of SAFE and the requirements of the Exchange, and perform reporting obligations as required.

**Article 17** ADesignated Depository Bank shall pay interest to the Exchange at the deposit rate negotiated and jointly determined with the Exchange.

**Article 18** A Designated Depository Bank shall take effective measures to mitigate liquidity risks, and shall not restrict any deposit or withdrawal request from any Member without a written consent of the Exchange. The Designated Depository Bank shall promptly report to the Exchange any settlement-related misconducts and risks of Members.

The Exchange has the right to initiate inter-bank transfers of the margin deposits held at Designated Depository Banks at any time.

**Article 19** In the event that the Exchange rises additional liquidity demand during settlement, a Designated Depository Bank shall, at the request of the Exchange, provide funding support to assist the Exchange in mitigating relevant risks.

**Article 20** A Designated Depository Bank shall neither assist a Member in collateralizing margins, nor misappropriate Clients’ margin to repay debts of Futures Firm Members (“FF Members”), OSPs or the Exchange.

**Article 21** A Designated Depository Bank shall reject any request by any other entity or individual to freeze or deduct the funds deposited in the dedicated settlement account of the Exchange. If any other entity or individual intends to freeze the funds deposited in dedicated fund accounts of Members or take other actions that may affect the margin depository business, the Designated Depository Bank shall notify the Exchange in a timely manner.

**Article 22** A Designated Depository Bank shall comply with all the rules concerning futures margin depository and settlement businesses as promulgated or revised by the Exchange.

**Article 23** A Designated Depository Bank shall transfer funds in accordance with the Exchange’s instructions in writing or in electronic form through the Exchange’s Futures Funds Management System:

(i) for funds transfer within the same bank, the Designated Depository Bank shall, upon receipt of the instructions, ensure real-time transfer of funds to the designated dedicated fund accounts of Members; and

(ii) for inter-bank funds transfers, the Designated Depository Bank shall, upon receipt of the instructions, ensure that the funds are transferred in the most efficient way and are immediately arrived at the bank of the receiving account designated by the Exchange.

**Article 24** A Designated Depository Bank shall, in accordance with the following provisions, conduct reconciliation of the dedicated settlement account of the Exchange on a daily basis:

(i) conducting timely account reconciliation after the end of daily clearing according to the demands of the Exchange;

(ii) the Exchange may inquire the balance and funds movements of the dedicated settlement account at any time during its business hours, upon which the Designated Depository Bank shall provide the Exchange with real-time feedbacks;

(iii) the Designated Depository Bank shall send the customer receipt slips, statement of payments and receipts, and other transaction receipts to the Exchange on the current day after the business occurs; and

(iv) the Designated Depository Bank shall timely furnish the reconciliation statements as required by the Exchange.

**Article 25** A Designated Depository Bank shall, in accordance with relevant provisions on the monitoring of the safe custody of futures margin, report to the CFMMC relevant information about all futures margin accounts held with the bank through the dedicated line within the prescribed time, including account balances and movements of the preceding trading day.

**Article 26** A Designated Depository Bank shall provide the Exchange with real-time feedbacks on the balances and balance changes of dedicated fund accounts of Members in response to the inquiries of the Exchange.

**Article 27** A Designated Depository Bank shall, pursuant to the regulatory requirements of the Exchange, take effective measures to mitigate liquidity risks. To test the safety of margin funds, the Exchange may transfer margin funds between depository banks at any time.

**Article 28** A Designated Depository Bank shall actively participate in the training organized by the Exchange and organize regular internal training, so as to ensure that the relevant personnel are familiar with the rules, requirements, and processes of the Exchange concerning the deposit of futures margin and other settlement business.

## CHAPTER 4 TECHNICAL REQUIREMENTS

**Article 29** The funds transfer system of each Designated Depository Bank shall conform to the Exchange’s technical specifications on relevant interfaces, and shall pass the acceptance tests of the Exchange.

**Article 30** The nationwide centralized bank-futures fund transfer system of each Designated Depository Bank shall support multi-point access from the system of futures firms and meet their relevant disaster recovery and redundancy requirements.

**Article 31** A Designated Depository Bank shall apply to establish reliable redundant data links between the primary and backup data centers of its head office and those of the Exchange. The relevant network parameters shall be allocated by the Exchange.

**Article 32** A Designated Depository Bank shall incorporate its funds transfer system into the centralized operation and maintenance management of its technical systems, and perform real-time monitoring of the funds transfer system, the data links, and the hardware and software platforms.

**Article 33** In case that any network maintenance or system upgrading of a Designated Depository Bank may affect the operation of its funds transfer system, it shall notify the Exchange five (5) business days in advance, and shall complete system testing before relevant maintenance or upgrading.

**Article 34** A Designated Depository Bank shall actively cooperate with the Exchange and participate in the emergency drills and joint testing organized by the Exchange.

**Article 35** A DesignatedDepository Bank shall appoint a contact person 24/7 available for technical emergencies. Any change of such emergency contact shall be timely reported to the Exchange.

## CHAPTER 5 EMERGENCY RESPONSE

**Article 36** A Designated Depository Bank shall develop a sound *Business Contingency Plan for Network and Information Security Incidents*, specify the duties of the personnel involved, and provide adequate measures to ensure fast response to and timely resolution of emergencies.

**Article 37** In case of any operational error or technical system breakdown that may affect the futures funds settlement business, a Designated Depository Bank shall immediately notify the Exchange and actively take remedial measures.

**Article 38** ADesignated Depository Bank shall immediately notify the Exchange of any breakdown of the funds transfer system, and actively cooperate with the Exchange in examining such system in order to pinpoint the root cause, eliminate the malfunction, and determine responsibilities. When necessary, the business contingency plan shall be activated immediately.

**Article 39** If the operation stability and security of the futures margin depository business are affected, a Designated Depository Bank shall promptly activate the business contingency plan to resume normal operation at the earliest possible time, and report details to the Exchange and the CFMMC.

## CHAPTER 6 SUPERVISION

**Article 40** In the event of any change to the setup of positions, job responsibilities, department principal, or contact persons of a Designated Depository Bank’s margin depository business department, the Designated Depository Bank shall notify the Exchange and the CFMMC in writing within three (3) business days of the change.

**Article 41** In the event that a Designated Depository Bank incurs a material business risk or loss which may impair its credit standing, it shall notify the Exchange and the CFMMC within three (3) business days from the day the risk or loss arises, and submit a report on the effects of such risk or loss on its futures margin depository business and the measures it has taken to address such risk or loss.

A Designated Depository Bank shall promptly notify the Exchange of any potential or foreseeable risks of the relevant overseas financial market and capital market, and provide assistance in risk prevention and control.

**Article 42** Before implementing system upgrades or changes or initiating any other undertakings which may affect its futures margin depository business, the Designated Depository Bank shall notify the Exchange, the CFMMC, relevant Members, and OSPs in writing five (5) business days in advance, duly disclose relevant information, carry out system testing, and formulate a targeted contingency plan, so as to ensure the stable operation of the futures market.

**Article 43** A Designated Depository Bank shall, within one (1) month after the end of each year, submit to the Exchange and the CFMMC a report on its operations and services on futures margin depository business, implementation of relevant laws, administrative regulations, administrative rules, and policies, technical support, risk management, operational error, and technical breakdown, etc.

**Article 44** The Exchange shall perform annual or unscheduled inspections on Designated Depository Banks, including a review of their qualifications and designated depository business performance. The Exchange also has the right to arrange unscheduled inspections as necessary, such as on-site inspections and self-inspections by Designated Depository Banks, and Designated Depository Banks shall cooperate on such inspections.

**Article 45** The Exchange shall annually assess each Designated Depository Bank to comprehensively evaluate the timeliness, security, accuracy, and liquidity control of its futures margin depository business activities, and to evaluate its system operations and maintenance, personnel service, business operations and risk control, and Member satisfaction, among others. Based on the results of the annual assessment, the Exchange may make overall plans and arrangements for the business and cooperation projects with Designated Depository Banks and guide and supervise their futures margin depository business.

## CHAPTER 7 HANDLING OF VIOLATIONS

**Article 46** A Designated Depository Bank will be ordered by the Exchange to make corrections and, depending on the severity of the case, be subject to such measures as a warning, reprimand, and suspension from doing margin depository business with Members or OSPs as new customers, if the Designated Depository Bank:

(i) fails to perform its obligations specified in these *Designated Depository Banks Rules* and the *Clearing Rules of the Shanghai Futures Exchange*;

(ii) fails to take effective or sufficient measures against an incident which affects or may affect its futures margin depository business, potentially threatening the stability of the futures market or undermining the lawful rights and interests of the Exchange and its Members, OSPs, Overseas Intermediaries, and Clients;

(iii) fails to comply with CFMMC’s requirements to report on its futures margin depository business;

(iv) unjustifiably restricts funds deposits and withdrawals requested by any Member without the written consent of the Exchange;

(v) violates any Business Agreement signed with the Exchange or any rules set by the Exchange;

(vi) fails to immediately notify the Exchange or take effective and timely response in case of any operational error or technical system breakdown that may affect its futures margin depository business;

(vii) fails to meet the requirements of banking regulatory authority on indicators such as capital adequacy, liquidity, and asset-liability ratio;

(viii) fails to cooperate with the Exchange during annual inspection or unscheduled inspections, or to submit as required the summary reports on futures settlement operations for the preceding year or other required materials;

(ix) offers substandard service or unstable bank-futures funds transfer system; or

(x) falls under other circumstances as determined by the Exchange.

**Article 47** All the futures margin depository business of a Designated Depository Bank shall be suspended if the Designated Depository Bank:

(i) fails to take effective measures, resulting in the freezing or deduction of the funds in the Exchange’s dedicated settlement account;

(ii) assists a futures firm in collateralizing margins in its futures margin account;

(iii) incurred a loss in the preceding fiscal year; or

(iv) falls under other circumstances as determined by the Exchange.

**Article 48** The Exchange will stop taking risk disposal measures provided in Articles 46 and 47 against a Designated Depository Bank and remove any extra supervision over its futures margin depository business, if the Exchange determines that the Designated Depository Bank has restored the required capabilities to conduct margin depository business after effective rectifications.

**Article 49** The Exchange may revoke a Designated Depository Bank’s qualification if the Designated Depository Bank:

(i) applies for such disqualification;

(ii) is legally deregistered, dissolved, or declared bankrupt;

(iii) has lost its legal person status after an acquisition or merger;

(iv) no longer meets the qualification criteria for a Designated Depository Bank;

(v) has recorded a loss in each of the most recent three (3) fiscal years;

(vi) fails to pass preceding year’s annual inspection even after the specified rectification period;

(vii) has provided the Exchange with false materials or information;

(viii) is deemed by the Exchange as facing material risks; or

(ix) falls under other circumstances as determined by the Exchange.

**Article 50** Where the Exchange decides to revoke a Designated Depository Bank’s qualification for futures margin depository business, it shall issue a revocation notice to the Designated Depository Bank ten (10) business days in advance, report the revocation to the China Securities Regulatory Commission, and announce the decision on its website in a timely manner.

Such revocation does not affect existing legal relationship between theDesignated Depository Bank and the Exchange, but the Exchange shall be entitled to end the relevant business relationships with the Designated Depository Bank according to applicable laws and regulations.

**Article 51** A Designated Depository Bank whose qualification is revoked by the Exchange shall be prohibited from re-applying for such qualification within three (3) years from the date of revocation.

## CHAPTER 8 MISCELLANEOUS

**Article 52** Unless otherwise prescribed by laws and regulations of China, a Designated Depository Bank shall not disclose to any third party by any means any non-public information related to futures margin depository business.

**Article 53** A Designated Depository Bank that already engages in the relevant businesses before the implementation of these *Designated Depository Banks Rules* is not required to re-apply for the qualification to conduct futures margin depository business.

**Article 54** The Exchange reserves the right to interpret and revise these *Designated Depository Banks Rules*.

**Article 55** These *Designated Depository Banks Rules* take effect on August 8, 2025.