**Appendix 9:**

# ARBITRAGE TRADING RULES OF THE SHANGHAI FUTURES EXCHANGE

# (revised)

## CHAPTER 1 GENERAL PROVISIONS

**Article 1** These *Arbitrage Trading Rules* are made in accordance with the *General Exchange Rules of the Shanghai Futures Exchange* and other applicable rules to regulate arbitrage trading and promote the sound development of the futures market.

**Article 2** A non-futures firm Member (“Non-FF Member”), Overseas Special Non-Brokerage Participant (“OSNBP”), or Client may apply for an arbitrage position quota to increase its position limit. Position limits are governed by the *Risk Management Rules of the Shanghai Futures Exchange* and the particular product rules*.*

**Article 3** For the purpose of these *Arbitrage Trading Rules*, arbitrage trading is classified into calendar arbitrage and cross-product arbitrage. “Calendar arbitrage” means trading different contracts on the same product for profit; “cross-product arbitrage” means trading contracts on different products for profit.

The product mix for cross-product arbitrage will be separately announced by the Shanghai Futures Exchange (the “Exchange”).

**Article 4** Arbitrage position quota is classified into arbitrage position quota for regular months and arbitrage position quota for nearby delivery months.

The division of regular and nearby delivery months as well as the deadline for arbitrage position quota applications during these different months shall be governed by the futures rules for the particular products.

**Article 5** Members, Overseas Special Participants, Overseas Intermediaries, and Clients that engage in arbitrage trading shall observe these *Arbitrage Trading Rules*.

**CHAPTER 2 APPLICATION AND APPROVAL OF ARBITRAGE POSITION QUOTA**

**Article 6** A Client that needs an arbitrage position quota shall complete the filing and other procedures through any of its carrying FF Members, Overseas Special Brokerage Participants, Overseas Intermediaries, and other such institutions (collectively, “Account Opening Institutions”), which shall, after reviewing the application, complete the filing and other procedures with the Exchange pursuant to these *Arbitrage Trading Rules*. A Non-FF Member or OSNBP shall complete the filing and other procedures directly with the Exchange.

**Article 7** A Non-FF Member, OSNBP, or Client applying for a regular month arbitrage position quota of certain products shall submit the following materials to the Exchange:

(i) an *Application (Approval) Form for Regular Month Arbitrage Position Quota of the Shanghai Futures Exchange*;

(ii) arbitrage strategies (such as source of funds, size of positions, and classification as calendar arbitrage or cross-product arbitrage); and

(iii) other materials required by the Exchange.

A regular month arbitrage position quota of a product will remain valid for the product after being obtained.

**Article 8** A Non-FF Member, OSNBP, or Client applying for a nearby delivery month arbitrage position quota of certain contracts shall submit the following materials to the Exchange:

(i) an *Application (Approval) Form for Nearby Delivery Month Arbitrage Position Quota of the Shanghai Futures Exchange*;

(ii) arbitrage strategies (such as source of funds, size of positions, classification as calendar arbitrage or cross-product arbitrage, arrangements for position opening and reduction, and intention of delivery);

(iii) an analysis of the spread divergence of the contract; and

(iv) other materials required by the Exchange.

**Article 9** The Exchange will determine the regular month arbitrage position quota of an applicant based on, among others, its credit standing, past transactions, and usage of existing arbitrage position quotas. The regular month arbitrage position quota shall not exceed the quantity specified in the supporting materials.

**Article 10** The Exchange will determine the nearby delivery month arbitrage position quota of an applicant based on, among others, its credit standing, past transactions, positions in relevant contracts, quantity of deliverable commodities, and whether the contracts’ spread diverges from the normal spread. The nearby delivery month arbitrage position quota shall not exceed the quantity specified in the supporting materials.

**CHAPTER 3 ARBITRAGE TRADING**

**Article 11** Aggregategeneral positions held by a Client through different Account Opening Institutions shall not exceed the percentage-based position limit or fixed-amount position limit for the contracts concerned in different periods of trading plus the arbitrage position quota for the same period.

**CHAPTER 4 SUPERVISION**

**Article 12** The Exchange will review an application for arbitrage position quota within five (5) trading days of receiving the application.

**Article 13** A Non-FF Member, OSNBP, or Client that needs to adjust its arbitrage position quota shall timely apply to the Exchange.

**Article 14** The Exchange regulates the usage of the arbitrage position quotas obtained by Non-FF Members, OSNBPs, and Clients and may adjust such position quotas based on market conditions.

**Article 15** A Non-FF Member, OSNBP, or Client, during the validity period of its arbitrage position quota, shall timely notify the Exchange of any material change to its business. The Exchange has the right to adjust the arbitrage position quota based on the new circumstances.

**Article 16** If the aggregate general positions held by a Non-FF Member, OSNBP, or Client exceed the percentage-based position limit or fixed-amount position limit for the contracts concerned in different periods of trading plus the arbitrage position quota for the same period, then the Non-FF Member, OSNBP, or Client shall adjust its positions by the end of the first trading session on the following trading day. If the adjustment is not made before the deadline or fails to eliminate the excess, the Exchange may exercise forced position liquidation.

**Article 17** If a Non-FF Member, OSNBP, or Client engages in fraud or otherwise breaches any laws, regulations, or rules of the Exchange when applying for or using an arbitrage position quota, the Exchange may deny its application, adjust or cancel its arbitrage position quota, take such measures as suspending the opening of new positions, requiring the close-out of positions within a specified time period, or exercising forced position liquidation if necessary, and handle the case according to the *Enforcement Rules of the Shanghai Futures Exchange*.

**Article 18** If a Non-FF Member, OSNBP, or Client uses its received arbitrage position quota to influence or attempt to influence market price, the Exchange may take such measures as giving a verbal reminder or written warning, adjusting or canceling the arbitrage position quota, and suspending the opening of new positions, requiring the close-out of positions within a specified time period, or exercising forced position liquidation if necessary, and handling the case according to the *Enforcement Rules of the Shanghai Futures Exchange*.

**Article 19** The Exchange may prescribe the collection of trading margin or transaction fees of arbitrage trading.

**CHAPTER 5 MISCELLANEOUS**

**Article 20** To the extent of any inconsistency between these *Arbitrage Trading Rules* and the futures rules for the particular products, the product rules shall prevail.

**Article 21** The Exchange reserves the right to interpret these *Arbitrage Trading Rules*.

**Article 22** These *Arbitrage Trading Rules* take effect on August 8, 2025.