**Appendix 14:**

# ADMINISTRATION OF ABNORMAL TRADING BEHAVIORS RULES OF THE SHANGHAI FUTURES EXCHANGE

# (revised)

## CHAPTER 1 GENERAL PROVISIONS

**Article 1** These *Abnormal Trading Management Rules* are made in accordance with relevant rules including the *General Exchange Rules of the Shanghai Futures Exchange*, *Membership Rules of the Shanghai Futures Exchange*, *Risk Management Rules of the Shanghai Futures Exchange*, and *Enforcement Rules of the Shanghai Futures Exchange* (“*Enforcement Rules*”) to regulate futures trading, maintain the order of the futures market, and promote its sound development.

**Article 2** The Shanghai Futures Exchange (the “Exchange”) regulates futures trading activities and, upon the discovery of any abnormal trading behaviors, may initiate the corresponding handling procedures and impose self-regulatory measures on relevant Members, Overseas Special Participants (“OSPs”), Overseas Intermediaries, and Clients.

**Article 3** Futures Firm Members (“FF Members”), Overseas Special Brokerage Participants (“OSBPs”), and Overseas Intermediaries shall duly supervise its Clients’ trading activities by timely identifying, stopping, and reporting their abnormal trading behaviors, and shall not condone, induce, incite, or support Clients to engage in abnormal trading.

**Article 4** When engaging in futures trading, Non-Futures Firm Members (“Non-FF Members”),Overseas Special Non-Brokerage Participants (“OSNBPs”), and Clients shall comply with applicable laws, regulations, and administrative rules of China, and the rules of the Exchange, accept the self-regulatory measures of the Exchange, and voluntarily regulate their trading activities. Clients shall additionally accept the administration of FF Members, OSBPs, and Overseas Intermediaries on the legality and compliance of their trading activities.

## CHAPTER 2 RECOGNITION OF ABNORMAL TRADING BEHAVIORS

**Article 5** Any of the following situations during futures trading will be deemed an abnormal trading behavior by the Exchange:

(i) multiple trades between one’s own accounts (“self-trades”);

(ii) multiple trades between Clients within a group of accounts with actual control relationship;

(iii) frequent cancellation of orders within the same day, which may affect the futures trading price or mislead other market participants into trading futures (“frequent order cancellation”);

(iv) multiple cancellations of large-amount orders within the same day, which may affect the futures trading price or mislead other market participants into trading futures (“large-amount order cancellation”);

(v) the position opening volume in a listed product or contract in a single trading day has exceeded the intraday position opening volume prescribed by the Exchange;

(vi) placing trading orders via program trading in a manner that may adversely affect the system security or the normal course of trading at the Exchange; and

(vii) any other situation prescribed by the China Securities Regulatory Commission (“CSRC”) or identified by the Exchange.

**Article 6** If any Client or any group of accounts with actual control relationship on an aggregate basis falls under any of the following circumstances, such Client or group will reach the threshold of the Exchange to take actions for the abnormal trading behavior of self-trade, frequent order cancellation, or large-amount order cancellation, respectively:

(i) Five (5) or more self-trades in the same contract in any single trading day.

(ii) Five hundred (500) or more order cancellations in the same contract in any single trading day.

(iii) Fifty (50) or more large-amount order cancellations in the same contract in any single trading day. One large-amount order cancellation means cancellation of three hundred (300) lots or more in a single instruction.

The Exchange will count the number of self-trades, frequent order cancellations, or large-amount order cancellations of a futures or options contract separately to determine whether the number reaches the threshold of the Exchange to take actions.

**Article 7** If the position opening volume of a Client or the aggregate position opening volume of a group of accounts with actual control relationship in a listed product or contract exceeds the intraday position opening volume prescribed by the Exchange, such a situation shall be deemed an abnormal trading behavior.

**Article 8** Trades executed among Clients within a group of accounts with actual control relationship shall constitute an abnormal trading behavior.

**Article 9** Activities such as self-trade, frequent order cancellation, and large-amount order cancellation resulting from hedging trades will not be deemed as abnormal trading behaviors.

Frequent order cancellations resulting from market making will not be deemed as abnormal trading behaviors.

In addition to the above circumstances, frequent order cancellations resulting from SHFE identified transactions on contracts collecting order fees will not be deemed as abnormal trading behaviors.

**Article 10** If on a single trading day a Client or a group of accounts with actual control relationship on an aggregate basis reaches the threshold of the Exchange to take actions for self-trade, frequent order cancellation, or large-amount order cancellation with respect to its activities in two (2) or more futures contracts or options contracts, the same kind of abnormal trading behavior in relation to these different contracts will be deemed a single occurrence of that abnormal trading behavior.

## CHAPTER 3 HANDLING OF ABNORMAL TRADING BEHAVIORS

**Article 11** The Exchange may take any of the following measures against an offender that displays an abnormal trading behavior as defined in Article 5 of these *Abnormal Trading Management Rules*.

(i) requiring a report on the situation;

(ii) placing the offender on the Exchange’s watch list;

(iii) notifying the relevant Member, OSP, or Overseas Intermediary;

(iv) arranging a meeting;

(v) requiring the close-out of positions within a specified time period;

(vi) exercising forced position liquidation;

(vii) suspending the offender from opening new positions;

 (viii) issuing a public censure;

(ix) declaring the offender as a “prohibited market participant”; and/or

(x) taking any other measures permitted by the rules of the Exchange.

The Exchange shall publish the names of Clients who have been suspended from opening positions**,** given a public censure, or declared a “prohibited market participant,” and shall refer cases suspected to involve violation of laws or regulations to the CSRC for formal investigation.

**Article 12** Where a Client’s self-trade, frequent order cancellation, or large-amount order cancellation reaches the threshold for the Exchange to take actions, the Exchange will do so according to the following procedures:

(i) For any Client reaching the threshold for the first time, the Exchange will alert the Client’s carrying FF Member or OSBP on the same day. The FF Member or OSBP shallpromptly convey the alert to the Client, and educate, guide, dissuade, and prevent the Client from engaging in rule-breaking trades.

If the Client is engaging in futures trading through an Overseas Intermediary, the relevant FF Member or OSBP shall promptly convey the alert to the Client via the Overseas Intermediary, who shall educate, guide, dissuade, and prevent the Client from engaging in rule-breaking trades.

(ii) For any Client reaching the threshold for the second time, the Exchange will place it on a watch list and notify the relevant Members, OSPs, and Overseas Intermediaries of the abnormal trading behavior.

(iii) For any Client reaching the threshold for the third time, the Exchange will, as of market close on the same day, suspend the Client from opening new positions for no less than one (1) month in general.

**Article 13** Where abnormal trading behaviors of self-trade, frequent order cancellation, or large-amount order cancellation of a Client take place through two or more FF Members or OSBPs, the Exchange will separately alert the FF Member or OSBP through whom the highest number of each of such type of abnormal trading behaviors of the Client took place. If the Client engages in futures trading through an Overseas Intermediary, the FF Member or OSBP through whom the highest number of such abnormal trading behaviors took place shall promptly convey the alert to the Client via the Overseas Intermediary.

**Article 14** Where a Non-FF Member or OSNBP’s self-trade, frequent order cancellation, or large-amount order cancellation reaches the threshold for the Exchange to take actions, the Exchange will do so according to the following procedures:

(i) When the threshold is reached for the first time, the Exchange willalert the Non-FF Member or OSNBP.

(ii) When the threshold is reached for the second time, the Exchange will arrange a meeting with a manager of the Non-FF Member or OSNBP.

(iii) When the threshold is reached for the third time, the Exchange will suspend the Non-FF Member or OSNBP from opening new positions for no less than three (3) months in general.

**Article 15** Where the self-trade, frequent order cancellation, or large-amount order cancellation within a group of accounts with actual control relationship has reached the threshold for the Exchange to take actions for abnormal trading behaviors, the Exchange will impose self-regulatory measures on such accounts by reference to Articles 12 to 14 of these *Abnormal Trading Management Rules*.

**Article 16** If the position opening volume of a Client or the aggregate position opening volume of a group of actual control accounts in a listed product or contract on a single day exceeds the intraday position opening volume prescribed by the Exchange, the Exchange will, starting from the following day, suspend the Client or the accounts within the group from opening new positions for no less than three (3) trading days in general.

**Article 17** Notices from the Exchange for any abnormal trading behavior that has reached the threshold for actions will be sent out through phone calls or emails, Member Service System messages, or other electronic formats.

**Article 18** The Exchange may take the following measures if an abnormal trading behavior has caused a significant increase in market risk:

(i) adjusting the transaction fees;

(ii) collecting order fees and other fees from some or all of the Clients, Members, and/or OSPs;

(iii) requiring additional trading margin from some or all of the Members and/or OSPs on the long and/or short position at the same or different rates;

(iv) setting the limit on the intraday position opening volume for various listed products and contracts for some or all of the Clients, Members, and/or OSPs; and

(v) taking any other measure permitted by the rules of the CSRC and the Exchange.

## CHAPTER 4 SUPERVISORY RESPONSIBILITIES

**Article 19** FF Members, OSBPs, and Overseas Intermediaries shall closely monitor the trading activities of Clients, take measures to prevent abnormal trading behaviors, and guide them to trade futures in a rational and compliant manner.

If any FF Member, OSBP, or Overseas Intermediary discovers any abnormal trading behaviors under Article 5 of these *Abnormal Trading Management Rules* from a Client during futures trading, it shall alert, dissuade, and stop the Client and promptly report the situation to the Exchange in writing.

**Article 20** After the Exchange has imposed a self-regulatory measure on a Client for abnormal trading behavior, the relevant FF Member, OSBP, and Overseas Intermediary shall promptly notify the Client, retain related evidence, and take effective measures to regulate the future trading activities of the Client.

Where a Client is involved in any of the abnormal trading behaviors under Article 5 of these *Abnormal Trading Management Rules*, the Exchange may, depending on the severity of the situation, impose such self-regulatory measures on the relevant FF Members, OSBPs, and Overseas Intermediaries as sending an alert, arranging a meeting, conducting a written or on-site investigation, issuing a warning letter, and giving an opinion letter. For any Overseas Intermediary that is imposed with a self-regulatory measure from the Exchange such as a warning letter or opinion letter, the Exchange will also notify the relevant FF Members and OSBPs.

**Article 21** The Exchange will order an FF Member, OSP, or Overseas Intermediary to make corrections and impose such self-regulatory measures as sending an alert, arranging a meeting, issuing a warning letter, and giving an opinion letter if the FF Member:

(i) fails to promptly and accurately communicate the self-regulatory measures taken by the Exchange;

(ii) fails to take effective measures to stop abnormal trading behaviors of Clients;

(iii) condones, induces, incites, or supports Clients to engage in abnormal trading; or

(iv) fails to duly assist in the investigation of suspected violation of laws or regulations as required by the Exchange, intentionally obstructs progress, or withholds or omits facts.

**Article 22** Any FF Member, OSBP, or Overseas Intermediary who has been issued two warning letters by the Exchange for neglect of duty will be issued an opinion letter upon the third occurrence of negligence.

Any negligence that constitutes other types of misconduct will be handled in accordance with the *Enforcement Rules*.

## CHAPTER 5 MISCELLANEOUS

**Article 23** Unless otherwise provided by these *Abnormal Trading Management Rules*, Non-FF Members**,** and OSNBPsshall be administered by reference to the provisions applicable to Clients.

**Article 24** The Exchange reserves the right to interpret these *Abnormal Trading Management Rules*.

**Article 25** These *Abnormal Trading Management Rules* take effect on August 8, 2025.