**Appendix 22:**

# NICKEL FUTURES RULES OF THE SHANGHAI FUTURES EXCHANGE

# (revised)

**CHAPTER 1 GENERAL PROVISIONS**

**Article 1** These *Nickel Futures Rules* are made in accordance with the *General Exchange Rules of the Shanghai Futures Exchange*, the *SHFE Nickel Futures Contract Specifications*, and the relevant business rulesto regulate business related to nickel futures at the Shanghai Futures Exchange (the “Exchange”).

**Article 2** These *Nickel Futures Rules* shall be observed by the Exchange, Members, Clients, Delivery Storage Facilities, Designated Inspection Agencies, Futures Margin Depository Institutions, and other participants of the futures market.

**CHAPTER 2 TRADING**

**Article 3** Contract size for nickel futures is one (1) metric ton per lot.

**Article 4** Price quotation of a nickel futures contract is Yuan (RMB)/metric ton.

**Article 5** Minimum price fluctuation of a nickel futures contract is ten (10) Yuan/metric ton.

**Article 6** Listed contracts of nickel futures cover the most recent twelve (12) months.

**Article 7** Trading hours of a nickel futures contract are 9:00 a.m. to 11:30 a.m., 1:30 p.m. to 3:00 p.m., and other hours specified by the Exchange.

**Article 8** The last trading day of a nickel futures contract is the 15th day of the contract month. The last trading day will be postponed accordingly if it is a legal holiday in China, and will be subject to separate adjustment and announcement by the Exchange if it falls in the Spring Festival month or any other month specially designated by the Exchange.

**Article 9** Contract symbol of nickel futures is NI.

**Article 10** For the hedging and arbitrage position quotas of a nickel futures contract, regular months extend from the day of listing to the last trading day of the second month before the delivery month, while nearby delivery months cover the month before the delivery month and the delivery month.

**Article 11** An application for a regular month hedging position quota of a nickel futures contract shall be submitted by the last trading day of the second month before the delivery month of the contract. Late applications will not be accepted by the Exchange.

An application for a nearby delivery month hedging position quota of a nickel futures contract shall be submitted between the first trading day of the third month before the delivery month of the contract and the last trading day of the month before the delivery month. Late applications will not be accepted by the Exchange. An application for a nearby delivery month arbitrage position quota of a nickel futures contract shall be submitted between the first trading day of the second month before the delivery month of the contract and the last trading day of the month before the delivery month. Late applications will not be accepted by the Exchange.

**Article 12** Hedging position quota of a nickel futures contract shall no longer be used in a revolving manner starting from the first trading day of the delivery month.

**CHAPTER 3 DELIVERY**

**Article 13** A nickel futures contract may be physically delivered through an Exchange of Futures for Physicals (“EFP”) or a delivery warehouse.

Nickel futures adopt duty-paid delivery.

**Article 14** Grade and quality specifications are provided in the *SHFE Nickel Futures Contract Specifications*.

**Article 15** The deliverable commodity shall be of a registered brand from a manufacturer registered with the Exchange, or of a designated brand from a manufacturer recognized by the Exchange.

**Article 16** Packaging for deliverable commodity

(i) Nickel cathodes (full plate)

1. Electrolytic nickel cathodes underlying each delivery unit shall consist of commodity of the same manufacturer, grade (designation), registered or designated brand, quality grade, shape, and secured into bundles of similar weight. The manufacturer may decide the weight of each bundle at its sole discretion, provided that the bundles can readily yield the delivery unit. Nickel cathodes shall be tightened into bundles with rust-resistant steel straps measuring 30-32 mm × 0.9-1.0 mm in a dual-line grid (“#”) pattern, or with other methods of comparable strength using steel straps. The strapping shall be reliable and each bundle shall be marked by a prominent and secure product label.

2. If the commodities arrive at the warehouse with broken steel straps, severely rusted or corroded bundling materials, or loose plates, the commodities shall be repackaged and securely tightened with specified steel straps before they are delivered. Any costs incurred in the reassembly shall be borne by the owner.

(ii) Nickel briquettes

1. Electrolytic nickel briquettes underlying each delivery unit shall consist of commodity of the same manufacturer, grade (designation), registered or designated brand, and quality grade. Nickel briquettes may be packaged in bags or drums. The manufacturer may decide the weight of each bag or drum at its sole discretion, provided that the bags or drums can readily yield the delivery unit. Each bag or drum shall be marked by a prominent and secure product label.

2. If the commodities arrive at the warehouse with broken packaging, the commodities shall be repackaged with any costs incurred borne by the owner.

(iii) Others

To be separately announced by the Exchange.

**Article 17** Required documentation for deliverable commodity

(i) Domestic commodity: the certificate of quality issued by the registered manufacturer.

(ii) Imported commodity: the certificate of quality, certificate of origin, certificate of commodity inspection, certificate of payment of import tariff, and certificate of VAT withholding by the customs. These documents are deemed valid only upon being verified by the Exchange.

If there has been any change to national policies on taxation, commodity inspection, or other relevant matters, the revised policies shall prevail. Under such circumstance, the Exchange will separately announce the revised requirements for the documentation of relevant imported products.

**Article 18** Tolerance and pound difference: The underlying electrolytic nickel for each standard warrant weighs six (6) metric tons. Difference between standard warrant weight and actual delivery weight shall not exceed plus or minus three percent (±3%). Pound difference shall not exceed plus or minus one-tenth of one percent (±0.1%).

**Article 19** Delivery unit of a nickel futures contract is six (6) metric tons.

**Article 20** Delivery period of a nickel futures contract is the two (2) consecutive business days immediately following the last trading day of the contract.

**Article 21** The benchmark price for delivery settlement of a nickel futures contract is its settlement price on the last trading day.

**Article 22** Delivery venue: the delivery warehouses of the Exchange, to be separately announced by the Exchange. The electrolytic nickel intended for delivery must be stored indoors.

**Article 23** After the physical delivery is completed, if the buyer has any dispute over the quality or quantity of the commodity, the buyer shall submit a written request to the Exchange for dispute resolution before the 15th day (including that day) of the month following the delivery month (in case that day falls on a public holiday, the date shall be extended to the first business day after the holiday), together with the quality assay report issued by a Designated Inspection Agency. If no submission is received within the prescribed time, the buyer shall be deemed to have no disputes over the commodity, and the Exchange will no longer accept its relevant request for dispute resolution.

**Article 24** If standard warrants are used for the EFPs of a nickel futures contract and the EFPs are settled via the Exchange, and if a dispute over the quality of the commodities arises, the buyer shall submit a request for dispute resolution within twenty-five (25) days after the payment and the exchange of standard warrants, together with the quality assay report issued by a Designated Inspection Agency.

**CHAPTER 4 RISK MANAGEMENT**

**Article 25** The minimum trading margin for a nickel futures contract is 5%.

**Article 26** The stage-based trading margin rates for nickel futures are as follows:

|  |  |
| --- | --- |
| **Stage of Trading** | **Trading Margin** |
| As of listing | 5% |
| As of the first trading day of the month prior to the delivery month | 10% |
| As of the first trading day of the delivery month | 15% |
| As of the second trading day prior to the last trading day | 20% |

**Article 27** The range of price limit for a nickel futures contract is within ±4% of its settlement price of the preceding trading day.

**Article 28** Percentage-based Position Limit and fixed-amount Position Limit for each nickel futures contract at different stages of trading for an FF Member, a non-FF Member and a Client are as follows (in lots):

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | From the date of listing to the delivery month | | From the date of listing to the last trading day of the second month prior to the delivery month | | | First month prior to the delivery month | | Delivery month | |
| Total open  interest | Percentage-based Position Limit (%) | Total open  interest | Percentage-based Position Limit (%) and fixed-amount Position Limit (in lots) | | Fixed-amount Position Limit (in lots) | | Fixed-amount Position Limit (in lots) | |
| FF Member | Non-FF Member | Client | Non-FF Member | Client | Non-FF Member | Client |
| nickel | ≥60,000 | 25 | ≥60,000 | 10 | 10 | 1,800 | 1,800 | 600 | 600 |
| ＜60,000 | 6,000 | 6,000 |

Note: total open interest and the fixed-amount Position Limit are based on long or short positions.

**Article 29** For contracts in nickel futures, by the close of the last trading day of the month prior to the delivery month, each Trader (referring here and hereinafter to a Client, a Non-Futures Firm Member) shall adjust its general positions held under its trading code, to multiples of six (6) lots and a one-day delay is allowed under special market conditions; in the delivery month, the general positions as well as newly opened and closed-out positions shall be held in multiples of six (6) lots.

**Article 30** If the Exchange makes a forced position reduction to a nickel futures contract, the amount of the unfilled orders subject to the order fill, positions eligible to fill the unfilled orders of a Trader, and the principles and methods for the order fill of unfilled orders shall be determined as follows:

(i) Amount of the unfilled orders subject to the order fill. The term “amount of unfilled orders subject to the order fill” means the total amount of all the unfilled orders submitted after the close of the base date at the limit price into the central order book by each Trader who has incurred losses on net positions in the contract of an average level of no less than six percent (6%) for nickel futures contracts, of the settlement price of the base date.

(ii) Positions eligible to fill the unfilled orders of a Trader. The positions eligible to fill the unfilled orders include the net positions, on which the Trader, as calculated using the above formula stipulated in the Risk Management Rules of the Shanghai Futures Exchange, records average gains for general purposes or for hedging purposes at no less than six percent (6%) of the settlement price of the base date.

(iii) Principles for the order fill of unfilled orders. The order fill of unfilled orders shall take place in the order of the following four levels with regard to the amount of gains and whether such positions are general or hedging:

Level 1: Unfilled orders shall be filled with the general positions eligible to fill the unfilled orders of any Trader with average gains on net positions of no less than six percent (6%) of the settlement price on the base date for the contracts in nickel futures, or the General Position Gains of Over 6%;

Level 2: Unfilled orders shall be filled with the general positions eligible to fill the unfilled orders of any Trader with average gains on net positions of no less than three percent (3%) but no more than six percent (6%) of the settlement price on the base date for contracts with respect to nickel futures, or the General Position Gains of Over 3%;

Level 3: Unfilled orders shall be filled with the general positions eligible to fill the unfilled orders of a Trader with average gains on net positions of no more than three percent (3%) of the settlement price on the base date for contracts in nickel futures, or the General Position Gains Below 3%; and

Level 4: Unfilled orders shall be filled with the hedging positions eligible to fill the unfilled orders of a Trader with average gains on net positions of no less than six percent (6%) of the settlement price on the base date for contracts in nickel futures, or the Hedging Position Gains of Over 6%.

(iv) Methods for the order fill of unfilled orders. If the amount of the General Position Gains of Over 6% is greater than or equal to that of the unfilled orders, the unfilled orders shall be filled pro rata to the amount of the General Position Gains of Over 6%. If the amount of the General Position Gains of Over 6% is smaller than that of the unfilled orders, the General Position Gains of Over 6% shall be filled pro rata to the amount of the unfilled orders. The residual unfilled orders, if any, shall be filled with the General Positions Gains of Over 3% in the same manner as the foregoing, and if there are still orders remaining, the outstanding unfilled orders shall be filled to the General Position Gains of Below 3%, and so to the Hedging Position Gains of Over 6%. Unfilled orders which eventually remain after all the order fills described above, if any, shall not be filled at all.

**CHAPTER 5 MISCELLANEOUS**

**Article 31** Matters not covered herein shall be governed by the applicable business rules of the Exchange.

**Article 32** Any violations of these *Nickel Futures Rules* will be handled by the Exchange in accordance with the *Enforcement Rules of the Shanghai Futures Exchange*.

**Article 33** The Exchange reserves the right to interpret these *Nickel Futures Rules*.

**Article 34** These *Nickel Futures Rules* take effect on August 8, 2025.