

# **Operational Procedures Related to the Handling of Commodity Futures and Options Positions**

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**Osaka Exchange, Inc.**

Operational Procedures Related to the Handling of Commodity Futures and Options Positions

Update History			
Version No.	Effective Date	Page No.	Description
Ver. 1.0	June 3, 2020		First Release
Ver. 1.1	August 2021	p. 6	III. Method of Position Reporting
Ver. 1.2	June 2023	p. 4  p. 7 (Attachment 1)	II. Outline of Large Position Report  (3) Applicable Reporting Criteria for Reporting Entities  IV. Position Limits

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### Attachments\*

Attachment 1: Position Limits (Proprietary and Customer Accounts)

Attachment 2: Pledge of Compliance Regarding Special Measures on Position Limits (Intermediary⇒  
Participant)

Attachment 3: Pledge of Compliance Regarding Special Measures on Position Limits (Intermediary⇒  
Intermediary⇒Participant)

Attachment 4: Pledge of Compliance Regarding Special Measures on Position Limits (Intermediary⇒  
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Attachment 5: Submission of Pledge of Compliance Regarding Special Measures on Position Limits

Attachment 6: Application for the Approval of Hedge Positions

Attachment 7: Rules for Creating the CSV File for Position Report Data (For Trading Participants)

Attachment 8: Rules for Creating the CSV File for Position Report Data (For Eligible Intermediaries)

\*If you would like to receive Attachments 2 through 10, please contact us (see contact information in V. (2)).

Details	Remarks						
<p>I. Introduction</p> <p>This booklet summarizes the operational procedures to be taken by the following relevant parties in relation to the handling of positions of commodity futures and options that are traded on Osaka Exchange, Inc. (OSE).</p> <ol style="list-style-type: none"> <li>1. A trading participant (hereinafter referred to as a "participant")</li> <li>2. A broker, foreign securities services provider, or foreign commodity derivatives business operator (hereinafter referred to as an "intermediary") who is eligible for the special measures on position limits (hereinafter referred to as an "eligible intermediary").</li> </ol> <p>II. Outline of Large Position Report</p> <p>Participants and eligible intermediaries must report to OSE on a trading day basis the details of any long or short positions in applicable commodity derivatives contracts that are held by the same customer when said positions meet the reporting criteria that is given in II. (3).</p> <p>(1) Reporting Entities and Methods</p> <table border="1" data-bbox="331 1489 895 1637"> <thead> <tr> <th>Reporting Entity</th> <th>Reporting Method</th> </tr> </thead> <tbody> <tr> <td>Participant</td> <td>Target</td> </tr> <tr> <td>Eligible Intermediary</td> <td>E-mail</td> </tr> </tbody> </table> <p>(2) Reporting Base Date and Positions That Are Subject to Reporting</p> <p>The amount of each customer's positions as of the end of the day session on each business day shall be reported.</p> <p>(3) Applicable Reporting Criteria for Reporting Entities</p> <p>Participants and eligible intermediaries must report any positions that are held by a customer when said positions</p>	Reporting Entity	Reporting Method	Participant	Target	Eligible Intermediary	E-mail	<p>For details, please refer to V. Special Measures on Position Limits.</p> <p>Reporting is required for both long and short positions in all contract</p>
Reporting Entity	Reporting Method						
Participant	Target						
Eligible Intermediary	E-mail						

meet the following reporting criteria.

Please report the customer's positions in all contract months of the commodity derivatives product in question even when only the positions in some of the contract months meet the reporting criteria.

months of the commodity derivatives product in question even when only the long or the short positions meet the reporting criteria.

Reporting Entity	Applicable Reporting Criteria
Participant	<ul style="list-style-type: none"> <li>● Positions in the accounts of other participants or eligible intermediaries ✓ Criteria (A)</li> <li>● Positions in the accounts of customers other than above ✓ Criteria (B)</li> </ul>
Eligible Intermediary	<ul style="list-style-type: none"> <li>● Positions in the accounts of other participants or eligible intermediaries ✓ Criteria (A)</li> <li>● Positions in the accounts of customers other than above ✓ Criteria (B)</li> </ul>

While the positions in the participant's own account are subject to the same reportable amounts that are listed in criteria (B), reporting is not required since OSE is able to monitor those amounts.

✓ Criteria (A): Positions in the accounts of other participants or eligible intermediaries

Applicable Product	Positions per Contract Month
Gold Standard Futures	1 contract or more
Silver Futures	1 contract or more
Platinum Standard Futures	1 contract or more
Palladium Futures	1 contract or more
RSS3 Rubber Futures	1 contract or more
TSR20 Rubber Futures	1 contract or more
Corn Futures	1 contract or more
Soybean Futures	1 contract or more
Azuki (Red Bean) Futures	1 contract or more

Note to Eligible Intermediaries: Please report the positions in your own account and those in other entities' accounts (final customers) separately.

✓ Criteria (B): Positions in the accounts of customers other than above

Applicable Product	Positions per Contract Month
Gold Standard Futures	More than 100 contracts
Silver Futures	More than 30 contracts
Platinum Standard Futures	More than 20 contracts
Palladium Futures	More than 3 contracts
RSS3 Rubber Futures	More than 50 contracts
TSR20 Rubber Futures	More than 50 contracts
Corn Futures	More than 50 contracts
Soybean Futures	More than 50 contracts
Azuki (Red Bean) Futures	More than 20 contracts

### III. Method of Position Reporting

#### (1) Reporting by Participants (Target)

As a general rule, participants must submit their large position reports via Target.

- (a) Click on the "Submit Document" tab on the main menu bar.
- (b) Select "Commodity Futures/Options Trading Large Position Report" under "Commodity Futures/Options Trading (Position Report)".
- (c) Click the "Submit" button, and after entering the required information, click the "Confirm" button.
- (d) After confirming the contents of the Confirm/Preview screen, click the "Register" button. When the pop-up window appears, click the "OK" button.
- (e) When the words "Process complete" appear on the Complete screen, the submission is complete.

#### (1-1) Reporting Deadline

As a general rule, by 1:00 p.m. on the business day following the trading day

OSE will check on the reporting status. OSE may contact you in the following cases:

- (a) If you fail to submit your reporting file to OSE by the reporting deadline
- (b) If you submit your reporting file to OSE in a format that

Please report the positions in both OSE and TOCOM products at the same time.

<p>differs from the one specified in the rules for creating the CSV file</p> <p>(c) Other cases when necessary</p> <p>(2) Reporting by Eligible Intermediaries (E-mail)</p> <p>As a general rule, eligible intermediaries must submit their large position reports to OSE directly via e-mail.</p> <p>(a) E- mail to:</p> <p>Eligible intermediaries must create a CSV file in accordance with " Rules for Creating the CSV File for Position Report Data " and e-mail it to ose_report@jpx.co.jp.</p> <p>(b) Reporting Deadline</p> <p>As a general rule, by 1:00 p.m. of the second business day following the trading day</p> <p>(3) Position Reporting for TOCOM Products</p> <p>Participants and eligible intermediaries must report positions in TOCOM products along with OSE products together in a single CSV file and submit it to OSE as specified above.</p> <p>Market Administration, Market Operations, Osaka Exchange E-mail: ose_report@jpx.co.jp Tel: +81-50-3361-1660</p> <p>IV. Position Limits</p> <p>The following limits shall be applied to the long and the short positions in the participant's own account and in its customer accounts.</p> <p>(1) Position Limits for the Participant's Own Account Please refer to Table 1 of Attachment 1.</p> <p>(2) Position Limits for Customer Accounts Please refer to Table 2 of Attachment 1.</p>	<p>As a general rule, there shall be no position limits on cash-settled monthly futures, cash-settled rolling spot futures, and options on commodity futures.</p>
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OSE shall apply the position limits for commercial entities, investment trusts (including similar investment vehicles), and market makers to a separately specified subset of investors that are not eligible intermediaries.

Participants must reduce the positions of their customers to within the position limit that is specified by OSE as soon as possible when said customers' positions have exceeded or come to exceed said position limit (including cases where OSE deems that said positions have exceeded said position limit).

V. Special Measures on Position Limits

(1) Outline of Special Measures on Position Limits

Intermediaries who have applied to and been approved by OSE (i.e., eligible intermediaries) may impose position limits, as specified in "IV. (2) Position Limits for Customer Accounts," on customers who use said intermediary to place their orders to a participant.

In such cases, the eligible intermediaries must report said positions to OSE in the manner prescribed in "III. Method of Position Reporting" of these Operational Procedures.

(2) Application for Special Measures on Position Limits

Intermediaries who would like to apply for the special measures must ask the participant through which they place their orders to submit the pledge document (i.e., Attachment 2, 3, or 4) that corresponds to the way that they place their orders.

The Way That the Applicant Intermediary Places Its Orders	Pledge Document
The applicant intermediary places its orders directly to a	Attachment 2: Pledge of Compliance Regarding Special

participant	Measures on Position Limits (Intermediary⇒Participant)	
The applicant intermediary uses a second intermediary to place its orders to a participant	Attachment 3: Pledge of Compliance Regarding Special Measures on Position Limits (Intermediary ⇒ Intermediary ⇒Participant)	
The applicant intermediary uses a second intermediary to place its orders to a participant via a third intermediary	Attachment 4: Pledge of Compliance Regarding Special Measures on Position Limits (Intermediary ⇒ Intermediary ⇒Intermediary⇒Participant)	
<p>The participant must submit Attachment 5 to OSE along with the pledge document from the intermediary that is applying for the special measures.</p> <p>Please notify OSE immediately if the information that is given on or the products that are covered by the pledge document change, or if the special measures are no longer required.</p> <p>Market Administration, Market Operations, Osaka Exchange E-mail: ose_report@jpx.co.jp Tel: +81-50-3361-1660</p> <p>VI. Handling of Hedge Positions</p> <p>(1) Outline of Handling of Hedge Positions</p> <p>When the entities in the following tables hold positions on the OSE market for the purpose of avoiding or mitigating the price fluctuation risks that are associated with the trading and/or holding (including other similar acts) of physical commodities and/or processed products (hereinafter simply referred to as the "trading of physical commodities") (said positions are hereinafter referred to as "hedge positions"), said positions may exceed the position limits specified in IV. (2) if said entities obtain OSE's approval.</p>		

<p>(2) Entities Who May Hold Hedge Positions and the Types of Trading of Physical Commodities That May Be Hedged</p>		<p>A commercial entity means an entity who engages in one of the following businesses as its regular business: (1) trading physical commodities whose derivatives are traded on OSE; (2) providing intermediary, brokerage, or agency services for the trading of said physical commodities; or (3) producing, processing, or using said physical commodities.</p>
<p>The entities who may hold hedge positions and the types of trading of physical commodities that may be hedged shall be as follows.</p>		
<p>Gold, Silver, Platinum or Palladium</p>		
<p>Entities Who Are Eligible to Hold Hedge Positions</p>	<ul style="list-style-type: none"> <li>- Commercial entities</li> <li>- Entities who engage in trading related to the creation of spot commodity ETFs</li> <li>- Participants who are OSE-approved market makers</li> <li>- Other OSE-approved entities</li> </ul>	
<p>Types of Trading of Physical Commodities That May Be Hedged</p>	<ul style="list-style-type: none"> <li>- The holding of the same physical commodity as the one that underlies the commodity derivatives product in question</li> <li>- The trading of the same physical commodity as the one that underlies the commodity derivatives product in question</li> <li>- The forward trading of the same physical commodity as the one that underlies the commodity derivatives product in question</li> <li>- The holding or trading (including other similar acts) of a commodity whose price fluctuates in a manner that is essentially related to the derivatives price for said commodity</li> <li>- The trading of spot commodity ETFs</li> <li>- The trading of cash-settled monthly futures</li> <li>- The trading of cash-settled rolling spot futures</li> <li>- Other trading or acts that OSE deems appropriate</li> </ul>	

RSS3 Rubber, TSR20 Rubber, Corn, Soybean, or Azuki (Red Bean)		
Entities Who Are Eligible to Hold Hedge Positions	<ul style="list-style-type: none"> <li>- Commercial entities</li> <li>- Other OSE-approved entities</li> </ul>	
Types of Trading of Physical Commodities That May Be Hedged	<ul style="list-style-type: none"> <li>- The holding of the same physical commodity as the one that underlies the commodity derivatives product in question</li> <li>- The trading of the same physical commodity as the one that underlies the commodity derivatives product in question</li> <li>- The forward trading of the same physical commodity as the one that underlies the commodity derivatives product in question</li> <li>- The holding or trading (including other similar acts) of a commodity whose price fluctuates in a manner that is essentially related to the derivatives price for said commodity</li> <li>- Other trading or acts that OSE deems appropriate</li> </ul>	
(3) Hedging Limits The hedging limits shall be as specified in the following table. However, this shall not apply in cases where OSE deems it necessary.		When the trading of physical commodities that is being hedged has been completed or canceled (including cases where the holdings of physical commodities have been sold or otherwise disposed of), the hedge positions on OSE must be reduced promptly.
Applicable Product	Hedging Limit	
Gold Standard Futures	None	
Silver Futures	None	
Platinum Standard Futures	None	
Palladium Futures	Up to two times the position limit	
RSS3 Rubber Futures	Up to two times the position limit	
TSR20 Rubber Futures	Up to two times the position limit	
Corn Futures	None	

Soybean Futures	None	
Azuki (Red Bean) Futures	None	
<p>If the hedge positions in a contract have come to exceed the hedging limits specified in the table due to a change in the applicable hedging limit (e.g., because the nearest contract expired and said contract became the new nearest contract or one contract closer to the new nearest contract and thus became subject to the hedging limits thereof), the holder shall liquidate the excess hedge positions as soon as possible.</p> <p>(4) Application for Hedge Positions</p> <p>To apply for approval to hold hedge positions, please submit the following documents to OSE via Target or e-mail: Application for the Approval of Hedge Positions (Attachment 6) and a copy of the storage certificate for, the sales contract for, and/or other documents related to the physical commodities.</p> <p>When the trading of physical commodities that is being hedged has been completed or canceled (including cases where the holdings of physical commodities have been sold or otherwise disposed of) before the end of the hedging period that is stated on the Application for the Approval of Hedge Positions (Attachment 6), the holder must reduce said hedge positions promptly and notify OSE to that effect.</p> <p>Market Administration, Market Operations, Osaka Exchange E-mail: ose_report@jpx.co.jp</p> <p>(5) Delivery of Hedge Positions</p> <p>The holder of hedge positions may deliver said hedge positions. However, hedge positions for Corn, Soybean, and Azuki (Red Bean) Futures may not be delivered in excess of their respective position limits. In addition, the delivery of said hedge positions may be restricted in whole or in part when OSE deems it appropriate in light of market conditions and other factors.</p>		<p>Please consult with us if you would like to make your submission by mail.</p>

<p>(6) Inquiry into and Request for Materials Related to the Application for the Approval of Hedge Positions</p> <p>When it deems necessary, OSE may request a participant who has submitted the Application for the Approval of Hedge Positions to provide an explanation of the details of said application and to submit documents and other materials related to said hedge positions.</p> <p>VII. Reporting of Positions That Are to Be Settled by Delivery</p> <p>(1) Products That Are Subject to the Reporting of Positions That Are to Be Settled by Delivery</p> <p>Every month, OSE notifies participants via Target of the reporting base dates and reporting deadlines for derivatives products that are subject to the reporting of positions that are to be settled by delivery. Participants must report the positions that are to be settled by delivery by the reporting deadline for each product that is provided in the notification.</p> <p><u>Please note that reporting is required even if the participant holds no (zero) positions.</u></p> <p>(2) Method of Reporting Positions That Are to Be Settled by Delivery (Reporting via TOCOM-CUBE)</p> <p>Please refer to "TOCOM-CUBE Operational Manual" (available only in Japanese).</p> <p>OSE will check on the reporting status via TOCOM-CUBE. OSE may contact you in the following cases:</p> <ul style="list-style-type: none"> <li>(a) If you fail to submit your reporting file to OSE by the reporting deadline</li> <li>(b) If you submit your reporting file to OSE in a format that differs from the one specified by OSE</li> <li>(c) Other cases when necessary</li> </ul>	<p>Participants may apply for exemption from the reporting requirements if they hold no positions in and shall make no physical delivery of the nearest contract.</p>
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VIII. Other Handling

(1) Aggregation of Reported Positions That Are Held by Multiple Customer Accounts

When OSE receives large position reports pursuant to II. above, it shall aggregate the positions that are held by multiple customer accounts and treat them as positions held by the same customer under the following cases:

- (a) Positions that are held by the same customer in multiple accounts under the same or different names shall be aggregated and treated as being held in a single account.
- (b) Positions that are held in the accounts of customers that are under the direct or indirect control of a controlling customer shall be aggregated and treated as being held in the account of the controlling customer.
- (c) Positions that are held in the accounts of two or more customers with their explicit or implicit consent shall be aggregated and treated as being held in a single account.

(2) When a Customer's Positions (After Aggregation) Exceed the Position Limit

OSE shall notify a participant when the positions of one of said participant's customers exceed the position limit (including cases where OSE deems that said positions have exceeded said position limit). Said participant shall liquidate the excess positions in said customer's account by offsetting sales or purchases.

When the customer is an eligible intermediary, OSE may notify the eligible intermediary either directly or via the participant.

(3) When Positions Exceed the Position Limit Due to a Change in the Applicable Position Limit

If a customer's positions in a contract have come to exceed the position limit due to a change in the applicable position limit (e.g., because the nearest contract expired and said contract became the new nearest contract or one contract closer to the new nearest contract and thus became subject to the position limits thereof), the

<p>participant shall liquidate said customer's excess positions by the closing of the day session on the third business day of each month. In such cases, said customer cannot take new positions in any derivatives contracts for the same product until the excess positions in said contract have been liquidated.</p> <p>Note: OSE shall determine whether a customer's positions have come to exceed the position limit due to a change in the applicable position limit on the first business day of each month.</p> <p>(4) When TOCOM-CUBE Is Unavailable for the Reporting of Positions That Are to Be Settled by Delivery</p> <p>When TOCOM-CUBE is unavailable for the reporting of positions that are to be settled by delivery due to system failure or other similar causes, participants must call the following telephone number after sending the reporting file as a CSV file to the e-mail address below:</p> <p>Market Administration, Market Operations, Osaka Exchange  E-mail: ose_derivative@jpx.co.jp  Tel: +81-50-3361-1660</p> <p>Please include "Report of Positions That Are to Be Settled by Delivery" in the subject line.</p>	<p>The name of the reporting file must be the same as the subject line of the e-mail.</p>
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**Table 1: Position Limits for the Participant's Own Account**

On the first business day of each month, OSE shall impose position limits respectively on the long and the short positions in the contracts of applicable commodity derivatives products. Said position limits shall be in effect until the last business day of said month.

Applicable Product	Nearest Contract		Second Contract	Third Contract	Fourth Contract	Fifth Contract	Sixth Contract	Total for All Contracts Combined
	Month That Includes the Contract's Last Trading Day	Other Months						
Gold Standard Futures	10,000		-	-	-	-	-	30,000
Silver Futures	1,000		-	-	-	-	-	10,000
Platinum Standard Futures	600	700	1,200	-	-	-	-	10,000
Palladium Futures	75	100	200	-	-	-	-	1,500
RSS3 Rubber Futures (Notes 1, 2)	400		600	-	-	-	-	10,000
TSR20 Rubber Futures (Note 2)	1,000		2,000	-	-	-	-	10,000
Soybean Futures	400	800	2,000	4,000	4,000	4,000	4,000	-
Azuki (Red Bean) Futures	50		100	200	600	1,000	1,000	-

Corn Futures	600	1,200	3,000	6,000	6,000	6,000	6,000	-
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Notes:

1. When OSE deems it necessary in light of market conditions and other factors (i.e., cases such as when the prices of RSS3 Rubber Futures on OSE are affected by a single company (or its group\*) holding more than 50% of the total amount of RSS No.3 rubber in the "Rubber (RSS) Stocks in OSE's Designated Warehouses," which is posted on JPX's website), OSE shall add the amount of said company/group's current holdings of RSS No. 3 rubber that results from the prior physical settlement of RSS Rubber Futures to said company/group's long positions in RSS3 Rubber Futures in order to determine whether said long positions exceed the position limits on the nearest contract, second contract, or the total for all contracts combined.

\* Groups are treated in the same manner as that provided in "VIII. Other Handling (1) Aggregation of Reported Positions That Are Held by Multiple Customer Accounts" of the Operational Procedures.

2. Starting on the launch of J-GATE 3.0 (September 21, 2021), twelve contracts are available for trading.

**Table 2: Position Limits for Customer Accounts**

On the first business day of each month, OSE shall impose position limits respectively on the long and the short positions in the contracts of applicable commodity derivatives products. Said position limits shall be in effect until the last business day of said month.

(No. of Contracts)

Applicable Product	Applicable Customer	Nearest Contract		Second Contract	Third Contract	Fourth Contract	Fifth Contract	Sixth Contract	Total for All Contracts Combined
		Month That Includes the Contract's Last Trading Day	Other Months						
Gold Standard Futures	General Customer (Note 1)	-		-	-	-	-	-	5,000
	Eligible Congsinor (Note 2)	-		-	-	-	-	-	10,000
	Commercial Entity (Note 3), Investment Trust (Note 4), Market Maker (Note 5)	10,000		-	-	-	-	-	30,000
Silver Futures	General Customer (Note 1)	500		-	-	-	-	-	2,000
	Commercial Entity (Note 3), Investment Trust (Note 4), Market Maker (Note 5)	1,000		-	-	-	-	-	10,000
Platinum Standard Futures	General Customer (Note 1)	100	150	200	-	-	-	-	3,500
	Commercial Entity (Note 3), Investment Trust (Note 4), Market Maker (Note 5)	600	700	1,200	-	-	-	-	10,000
Palladium Futures	General Customer (Note 1)	10	20	40	-	-	-	-	400
	Commercial Entity (Note 3), Investment Trust (Note 4), Market Maker (Note 5)	75	100	200	-	-	-	-	1,500
RSS3 Rubber Futues (Notes 6, 7)	General Customer (Note 1)	300		600	-	-	-	-	10,000
	Commercial Entity (Note 3), Investment Trust (Note 4), Market Maker (Note 5)	400		600	-	-	-	-	10,000
TSR 20 Rubber Futues (Note 7)	General Customer (Note 1)	500		1,000	-	-	-	-	10,000
	Commercial Entity (Note 3), Investment Trust (Note 4), Market Maker (Note 5)	1,000		2,000	-	-	-	-	10,000
Soybean Futures	General Customer (Note 1)	400	800	2,000	4,000	4,000	4,000	4,000	-
	Commercial Entity (Note 3), Investment Trust (Note 4), Market Maker (Note 5)	400	800	2,000	4,000	8,000	8,000	8,000	-

Azuki (Red Bean)	General Customer (Note 1)	20	50	150	300	500	500	-	
	Commercial Entity (Note 3), Investment Trust (Note 4), Market Maker (Note 5)	50	100	200	600	1,000	1,000	-	
Corn Futures	General Customer (Note 1)	600	1,200	3,000	6,000	6,000	6,000	6,000	-
	Commercial Entity (Note 3), Investment Trust (Note 4), Market Maker (Note 5)	600	1,200	3,000	6,000	12,000	12,000	12,000	-

Notes:

1. A general customer means a customer other than an eligible consignor, commercial entity, investment trust, or market maker.
2. An eligible consignor means an eligible consignor as prescribed in Article 2, Paragraph 25 of the Commodity Derivatives Transaction Act (Act No. 239 of 1950) (including those persons considered to be an eligible consignor pursuant to Article 197-5 and Article 197-6 of said act).
3. A commercial entity means an entity who engages in one of the following businesses as its regular business: (1) trading physical commodities whose derivatives are traded on OSE; (2) providing intermediary, brokerage, or agency services for the trading of said physical commodities; or (3) producing, processing, or using said physical commodities.
4. An investment trust means the investment trust and related entities referred to in the following (in the cases of (1) through (4), those entities that are defined as investment trusts shall be limited to those whose specified assets are either commodities as prescribed in Article 3, Item 9 of the Order for Enforcement of the Act on Investment Trusts and Investment Corporations (Cabinet Order No. 480 of 2000) or rights pertaining to transactions related to commodities investment as prescribed in Item 10 of said article):
  - (1) An investment trust as prescribed in Article 2, Paragraph 3 of the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951; hereinafter referred to as the "Investment Trust Act")
  - (2) An investment corporation as prescribed in Article 2, Paragraph 12 of the Investment Trust Act
  - (3) A foreign investment trust as prescribed in Article 2, Paragraph 24 of the Investment Trust Act
  - (4) A foreign investment corporation as prescribed in Article 2, Paragraph 25 of the Investment Trust Act
  - (5) Entities who manage assets by commodity investment as prescribed in Article 2, Paragraph 1 of the Act on Regulation of Commodity Investment (Act No. 66 of 1991) regarding the following trading:
    - a. Trading from funds that are managed or administered by a financial instruments business operator (including similar entities) based on the commodity investment contract as prescribed in Article 2, Paragraph 5 of said act.
    - b. Trading from funds that are managed or administered by a financial instruments business operator (including similar entities) based on a trust agreement or a similar agreement thereto whose purpose is to manage all or part of the trust assets through commodity investments.
  - (6) Entities who trade the commodity futures that back an issuer's securities that are incorporated into a trust with certificates of beneficial interest as prescribed in Article

185 of the Trust Act (No. 108 of 2006) as the counterparty to said issuer.

(7) Entities who are approved by OSE as similar to (1) through (6).

5. Market makers shall be limited to those approved by OSE.

6. When OSE deems it necessary in light of market conditions and other factors (i.e., cases such as when the prices of RSS3 Rubber Futures on OSE are affected by a single company (or its group\*) holding more than 50% of the total amount of RSS No.3 rubber in the "Rubber (RSS) Stocks in OSE's Designated Warehouses," which is posted on JPX's website), OSE shall add the amount of said company/group's current holdings of RSS No. 3 rubber that results from the prior physical settlement of RSS Rubber Futures to said company/group's long positions in RSS3 Rubber Futures in order to determine whether said long positions exceed the position limits on the nearest contract, second contract, or the total for all contracts combined.

\* Groups are treated in the same manner as that provided in "VIII. Other Handling (1) Aggregation of Reported Positions That Are Held by Multiple Customer Accounts" of the Operational Procedures.

7. Starting on the launch of J-GATE 3.0 (September 21, 2021), twelve contracts are available for trading.