

# Outline of Off-Auction Trading Rules

As of November 7, 2022

Tokyo Commodity Exchange, Inc.

Item	Details	Remarks
I. Outline of Trading		
1. Off-Auction Trading	<ul style="list-style-type: none"> <li>- Off-auction trading refers to trading conducted not in the trading sessions but in the off-auction market, which is independent of individual auction trading. An off-auction trade is a trade that is executed when there is a bid or offer at a certain price for a certain contract month and a certain volume of a physically delivered future or a cash-settled future that can be matched with an offer or bid at the same price for the same contract month and the same volume.</li> </ul>	<ul style="list-style-type: none"> <li>- "Off-auction trading" is referred to as "off-floor trading" in TOCOM's rules including its Market Rules.</li> </ul>
2. Eligibility	<ul style="list-style-type: none"> <li>- All physically delivered futures and cash-settled futures that are traded by individual auction shall be eligible for off-auction trading.</li> </ul>	
3. Trading Method	<ul style="list-style-type: none"> <li>- An off-auction trade shall be executed when a bid or offer is matched with a countering offer or bid.</li> </ul>	<ul style="list-style-type: none"> <li>- When Tokyo Commodity Exchange, Inc. (TOCOM) deems that the price of a bid or offer is not appropriate in light of trading conditions in the trading sessions and other factors, the trade shall not be executed.</li> </ul>
4. Trading Hours	<ul style="list-style-type: none"> <li>- Energy (Excluding Electricity) and Chukyo Oil Markets 8:20 a.m. - 4:00 p.m. 4:15 p.m. - 6:00 a.m. the next day</li> <li>- Energy Market (Electricity) 8:20 a.m. - 4:00 p.m. 4:15 p.m. - 7:30 p.m.</li> </ul>	<ul style="list-style-type: none"> <li>- TOCOM may temporarily change trading hours when necessary.</li> </ul>
5. Venue of Trading	<ul style="list-style-type: none"> <li>- Trading shall be conducted through the trading system.</li> </ul>	
6. Order Placement Method	<ul style="list-style-type: none"> <li>- Orders for futures contracts in off-auction trading shall be placed at integral multiples of the tick size specified for each product within the price fluctuation range in Attachment 1.</li> <li>- Unexecuted orders for futures contracts in off-auction trading shall be canceled at the end of each of the trading hours.</li> </ul>	
7. Contract Units	<ul style="list-style-type: none"> <li>- The contract units for off-auction trading shall be the same as those for physically delivered futures and cash-settled futures that are traded by individual auction.</li> </ul>	
8. Notification	<ul style="list-style-type: none"> <li>- When an off-auction trade is executed, TOCOM shall notify both trading participants (the seller and the buyer) of the details.</li> </ul>	<ul style="list-style-type: none"> <li>- A "trading participant" is referred to as a "member" in TOCOM's rules including its Market Rules.</li> </ul>
9. Trading	<ul style="list-style-type: none"> <li>- TOCOM shall suspend off-auction trading when necessary.</li> </ul>	

Item	Details	Remarks
Suspensions and Temporary Trading Halts	<ul style="list-style-type: none"> <li>- When TOCOM temporarily halts the trading of futures contracts in a trading session after a bid (or offer) was submitted or executed at the upper (or lower) price limit on orders, it shall also temporarily halt the off-auction trading of said futures contracts.</li> </ul>	
II. Positions and Settlement	<ul style="list-style-type: none"> <li>- Open sales and purchases in off-auction trading shall be counted as positions, and no distinction shall be made between positions resulting from individual auction trading and those resulting from off-auction trading.</li> <li>- Settlement by offsetting sales and purchases in off-auction trading shall be conducted in the same manner as that in individual auction trading.</li> <li>- Final settlement or delivery of positions in off-auction trading that have not been settled by their last trading days shall be made along with those in individual auction trading.</li> </ul>	
III. Mark-to-Market	<ul style="list-style-type: none"> <li>- Positions in off-auction trading shall be marked to the market along with those in individual auction trading based on their settlement prices.</li> <li>- Unrealized gains/losses between a customer and a trading participant that originate from off-auction trading shall be transferred along with those that originate from individual auction trading.</li> </ul>	
IV. Margin	<ul style="list-style-type: none"> <li>- The required amount of margin shall be calculated by combining off-auction trading with individual auction trading.</li> </ul>	
V. Trading Participant Fees	<ul style="list-style-type: none"> <li>- The required amount of fees shall be calculated by combining off-auction trading with individual auction trading.</li> </ul>	
VI. Publication of Open/High/Low/Closing Prices and Trading Volume	<ul style="list-style-type: none"> <li>- TOCOM shall publish the Open/High/Low/Closing prices and trading volume for each contract.</li> </ul>	

## Tick Sizes and Price Fluctuation Ranges for Off-Auction Trading

### Physically Delivered Futures

Product		Tick Size	Price Fluctuation Range
Energy Market	Gasoline Futures	JPY 0.1	X±(Y×60%)
	Kerosene Futures		
	Gas Oil Futures		
Chukyo Oil Market	Chukyo-Gasoline Futures	JPY 0.1	
	Chukyo-Kerosene Futures		

### Cash-Settled Futures

Product		Tick Size	Price Fluctuation Range
Energy Market	Platts Dubai Crude Oil Futures	JPY 0.1	X±(Y×60%)
	East Area Baseload Electricity Futures	JPY 0.01	X±(Y×2,000%)
	East Area Peakload Electricity Futures		
	West Area Baseload Electricity Futures		
	West Area Peakload Electricity Futures		
	LNG (Platts JKM) Futures	JPY 0.01	X±(Y×90%)

#### Variables:

X: the contract's last traded price in individual auction trading on the trading day\* in question. If the contract has no traded price on said trading day, X shall be the contract's settlement price on the previous trading day (or, in the case of a new contract, the price of the contract for the preceding contract month on said trading day or a price specified by TOCOM in light of market conditions).

\* A "trading day" is referred to as a "clearing period" in TOCOM's rules including its Market Rules.

Y: the contract's settlement price on the previous trading day (or, in the case of a new contract, the price of the contract for the preceding contract month on the previous trading day or a price specified by TOCOM in light of market conditions).