Attachment 3:

**Measures for Risk Management of Dalian Commodity Exchange**

**(Amendment)**

1. During the course of the RBD palm olein futures trading, in case that war, social instability, natural disasters or other events are exerting, or are going to exert, significant impacts upon the imports of RBD palm olein, the Exchange may declare an abnormality, and the Chief Executive Officer of the Exchange may take such emergency measures as adjustment of the time of opening and/or closing the market, suspension of trading, and/or termination of trading. Upon settlement on the relevant day when the trading is terminated, all positions of all RBD palm olein contract months shall be liquidated based on the settlement price of the immediately preceding trading day.
2. During the course of iron ore futures trading, in case that war, social instability, natural disasters or other events are exerting, or are about to exert, significant impacts upon the imports of iron ore, the Exchange may declare an abnormality, and the Chief Executive Officer of the Exchange may take such emergency measures as adjustment of the time of opening and/or closing the market, suspension of trading, and/or termination of trading. Upon settlement on the relevant day when the trading is terminated, all positions of all iron ore contract months shall be liquidated based on the settlement price of the immediately preceding trading day.

**Article 4951** Prior to the declaration by the Exchange of an abnormality and its decision of taking emergency measures, it shall report to CSRC.

The emergency measure of termination of trading to be taken with respect to the RBD palm olein contracts and iron ore contracts shall be subject to the approval by CSRC.

**Article 52** During the course of egg futures trading, when there occurs a major epidemic and any portion of the delivery warehouses are located in the epidemic zone, the Exchange may declare an abnormality, and the Chief Executive Officer of the Exchange may take such emergency measures as suspension of trading and/or termination of trading. Upon settlement on the relevant day when the trading is terminated, all positions of all eggs contract months shall be liquidated based on the settlement price of the immediately preceding trading day.

***Note:*** *Contents newly added are in shade; contents deleted are marked with double strikethrough; where any clause is added or deleted, the number of other clauses shall be changed in order accordingly.*

**Measures for Risk Management of Dalian Commodity Exchange**

**(Amended Version)**

**Chapter I General Provisions**

1. The Measures for Risk Management of Dalian Commodity Exchange (the "**Measures**") are formulated in accordance with the *Trading Rules of Dalian Commodity Exchange* for the purposes of strengthening the management of futures trading risks, protecting the lawful rights and interests of the parties to the futures trading and ensuring the normal operation of the futures trading of Dalian Commodity Exchange (the "**Exchange**").
2. The risk management of the Exchange shall include the margin mechanism, the price limit mechanism, the position limit mechanism, the trading limit mechanism, the large position report mechanism, the forced position liquidation mechanism and the risk warning mechanism.
3. The Exchange, its Members, the overseas brokers and the clients must comply with the Measures. The overseas brokers shall assist the Futures Company Members entrusted by them for trading settlement to properly perform such work as forced position liquidation, large position reports and risk warnings. The Futures Company Members shall timely notify the overseas brokers of the "Forced Position Liquidation Notice", forced position liquidation result and/or risk warning letters that involve the clients of the overseas brokers.

**Chapter II Margin**

1. The Exchange shall implement the margin mechanism. The minimum trading margin of futures contracts for each product shall be five percent (5%) of the contract value.

The trading margin for a newly opened position shall be charged as per the trading margin upon settlement on the immediately previous trading day.

The Exchange may adjust the standards for the trading margins of any contract on the basis of the market situation.

The trading margin standard of a contract during a certain trading period shall be applied upon settlement on the trading day immediately preceding the commencement date of such trading period.

1. With respect to any commodity futures contract which is listed in the Exchange, the Exchange will gradually increase its trading margin in the different periods as from the fifteenth trading day of the month immediately preceding the delivery month.

The standards for the trading margins near the delivery period with respect to the commodity futures contract listed in the Exchange shall be:

|  |  |
| --- | --- |
| **Trading Period** | **Trading Margin (CNY/Lot)** |
| The fifteenth trading day of the month immediately preceding the delivery month | Ten percent (10%) of the contract value |
| The first trading day of the delivery month | Twenty percent (20%) of the contract value |

1. As the open interest increases with respect to a certain contract, the Exchange may increase the standards for the trading margin of such contract and announce to the market.
2. The Exchange may adjust the trading margin of the contract in different periods according to the change of the position of the contract.

With respect to the ethylene glycol futures contract, during the period from the first trading day of the month immediately preceding the delivery month to the fourteenth trading day of such month, if the unilateral open interest of the contract is more than 120,000 Lots upon settlement on the trading day immediately preceding a certain day during that period, the trading margin of the contract shall be 10% of the contract value from such day to the fourteenth trading day of such month; during the period from the fifteenth trading day of the month immediately preceding the delivery month to the last trading day of such month, if the unilateral open interest of the contract is more than 80,000 Lots upon settlement on the trading day immediately preceding a certain day during that period, the trading margin of the contract shall be 20% of the contract value from such day to the last trading day of such month.

1. The trading margin with respect to the futures contract to which the price limit occurs shall be subject to the applicable provisions of Chapter III of the Measures.
2. The Exchange shall have the right to take the measures of increasing the trading margins, on the basis of the market situation, unilaterally or bilaterally, proportionally or disproportionally, and/or for all or part of the Members in the event that with respect to a certain futures contract, the sum of the rising (falling) spans calculated as per the settlement price for three (3) consecutive trading days reaches twice the maximum rising/falling spans described in such contract, the sum of the rising (falling) spans calculated as per the settlement price for four (4) consecutive trading days reaches two point five (2.5) times the maximum rising/falling spans described in such contract, or the sum of the rising (falling) spans calculated as per the settlement price for five (5) consecutive trading days reaches three times the maximum rising/falling spans described in such contract. The increased portions of the trading margin shall not exceed the amount one time the trading margin described in the contract.

Any of the preceding measures must be reported by the Exchange to the China Securities Regulatory Commission ("**CSRC**") prior to the taking thereof.

1. In case the market closes for a relatively long time due to the public holidays, the Exchange may adjust the standards for the trading margins of the contract and the price limit range prior to the closing of the market on the basis of the market situation.
2. The Exchange can set the trading margin standard for the portfolio positions. A portfolio position refers to an eligible portfolio of positions established in the manner prescribed by the Exchange. During the trading period, the Non-Futures Company Members and clients can establish portfolio positions through the placement of arbitrage trading order as provided by the Exchange, or through application to the Exchange for the confirmation of the portfolio of the eligible positions. At the time of settlement, the Exchange may automatically combine the eligible positions into a portfolio position according to certain rules.

Products, contracts, portfolio types, portfolio methods, portfolio priorities, trading margin standards, etc. applicable to portfolio positions will be separately announced by the Exchange. The Exchange may make adjustments according to market conditions.

1. For a portfolio position established during the trading period, the margin shall be charged according to the portfolio position trading margin standard at the time of settlement on the previous trading day. Where the margin is insufficient, the *Measures for Clearing Management of Dalian Commodity Exchange* and other relevant rules shall be implemented.

At the time of settlement, the Exchange will charge the margin for the portfolio position according to the portfolio position trading margin standard announced on the same day.

1. For position liquidation under the same trading code, when the Exchange is calculating the margin, the portfolio positions shall be liquidated after non-portfolio positions. Within a portfolio position, the positions shall be liquidated in the sequence of the portfolio priorities from the lowest to the highest.
2. With respect to the contract which satisfies more than one provision herein in connection with adjustment of the trading margin, its trading margin shall be the larger or the largest of the trading margins as provided herein.

**Chapter III Price Limit**

1. The Exchange shall implement the price limit mechanism. The Exchange shall formulate the daily maximum price fluctuation spans for each futures contract. The Exchange may adjust the price limit range on the basis of the market situation.

With respect to the contract which satisfies more than one provision herein in connection with adjustment of the price limit range, its price limit range shall be the larger or the largest of the price limit range as provided herein.

1. With respect to futures contracts for each product, the price limit range of the months preceding the delivery month shall be four percent (4%) of the settlement price of the immediately previous trading day, and the price limit range of the delivery month shall be six percent (6%) of the settlement price of the immediately previous trading day.

The price limit range of any newly listed futures contract shall be twice the price limit range described in such contract; and the price limit range of such contract shall restored to be the price limit range described in such contract in case of transaction of a certain contract(s), or shall be the price limit range of the immediately previous trading day in case of no transaction thereof.

1. Upon order at the limit price with respect to a certain contract, the order-matching principle shall be subject to the principles of liquidation priority and time priority.
2. The one-direction non-continuous quotation under the price limit means, with respect to a particular futures contract, the circumstance that within the five (5) minutes prior to the close of a particular trading day, there are only purchase (sell) orders at the trading limit price and no sell (purchase) orders at the trading limit price, or all the sell (purchase) orders are instantly filled at the limit price without opening of the trading limit price.
3. In the event the one-direction non-continuous quotation under the price limit occurs on a certain trading day (and such trading day is denoted as the N trading day, the first, second and third trading day thereafter shall respectively be denoted as the N+1, N+2 and N+3 trading day, and so forth) with respect to a commodity futures contract listed on the Exchange, the price limit range of such contract on the N+1 trading day shall be increased by three percent (3%) over that on the N trading day (for example, if the price limit range of the N trading day is four percent (4%) of the settlement price on the preceding trading day, the price limit range on the N+1 trading day shall be seven percent (7%) of the settlement price on the N trading day, same below). Upon settlement on the N trading day, the trading margin standards of such contract shall be increased by two percent (2%) over the price limit range on the N+1 trading day (for example, if the price limit range on the N+1 trading day is seven percent (7%) of the settlement price on the N trading day, the standard margin of such contract shall be nine percent (9%) of the value of such contract upon settlement on the N trading day, same below). In case the adjusted trading margin standards of such contract is less than the trading margin standards upon settlement on the trading day preceding the N trading day, the trading margin standards upon settlement on the trading day preceding the N trading day shall then apply. In case the N trading day is the first trading day after the listing of such contract, the trading margin standards on such listing day of such contract shall be deemed to be the trading margin standards of such contract upon settlement on the trading day preceding the N trading day.

In the event that the one-direction non-continuous quotation under the same-direction price limit occurs on the N+1 trading day as on the N trading day with respect to a certain contract, the price limit range of such contract on the N+2 trading day shall be increased by two percent (2%) over that on the N+1 trading day. Upon settlement on the N+1 trading day, the trading margin standards of such contract shall be two percent (2%) over the price limit range on the N+2 trading day. In case the adjusted trading margin standards of such contract is less than the trading margin standards upon settlement on the N trading day, the trading margin standards upon settlement on the N trading day shall then apply.

In the event that the one-direction non-continuous quotation under the same-direction price limit occurs on and after the N+2 trading day as on the N+1 trading day with respect to a certain contract, the price limit range and the trading margin standards of such contract as of the N+3 trading day shall be the same as that on the N+2 trading day, until the one-direction non-continuous quotation under the same-direction price limit no longer occurs to such contract.

1. In the event that the one-direction non-continuous quotation under the reverse-direction price limit occurs on and after the N+1 trading day as on the preceding trading day with respect to a certain contract, such trading day shall be deemed as the N trading day.
2. In the event that the one-direction non-continuous quotation under the price limit does not occur on and after the N+1 trading day with respect to a certain contract, the trading margin shall be restored to the normal level upon settlement on such trading day, and the price limit range shall be restored to the normal level on the following trading day.
3. In the event that the one-direction non-continuous quotation under the same-direction price limit occurs on the N+2 trading day as on the N+1 trading day with respect to a certain futures contract, such contract will directly be subject to delivery in case the N+2 trading day is the last trading day of such contract; or trading of such contract shall continue on the N+3 trading day as per the price limit and the margin standards applicable on the N+2 trading day in case the N+3 trading day is the last trading day of such contract. Except for the foregoing two circumstances, the Exchange may decide to apply, and make public announcement on one or more of the following measures to the contract after the closing of the market on the N+2 trading day for the purpose of mitigating the market risk:
4. increase of the trading margins, unilaterally or bilaterally, proportionally or disproportionally, and/or for all or part of the Members;
5. adjustment of the price limit range;
6. suspension of opening a new position for all or part of the Members;
7. limited withdrawal of funds;
8. close-out within designated time limit;
9. forced position liquidation; and
10. mandatory tear-up after the closing of the market on the N+2 trading day.
11. The mandatory tear-up shall refer to that with respect to the unexecuted liquidation orders at the limit price on a day, the Exchange carries out the automatic order-matching as per the position percentage at the limit price of the same day with the client with the net position profit (or the Non-Futures Company Member; same below) of the contract. With respect to the two-way position held by the same client, the liquidation orders of its net position shall count into the calculation of the mandatory tear-up, and the remaining liquidation orders shall be automatically hedged with its locked positions. The specific method for mandatory tear-up is below:
12. Determination of the ordered liquidation quantity:

After the closing of the market on the N+2 trading day, all the positions which have been ordered at the limit price in the computer system but cannot be executed and with respect to which the client's the net unit position loss of the contract is no less than five percent (5%) (or for the RBD palm olein contract, four percent (4%)) of the settlement price on the N+2 trading day.

In case the client does not intend to carry out the liquidation as described above, the orders may be withdrawn prior to the closing of the market and will not be deemed to be the liquidation orders.

1. Determination of the client's net unit position profit or loss:

|  |  |  |
| --- | --- | --- |
| client's net unit position profit or loss of the contract | = | total of the client's position profit or loss of the contract |
| client's net open interest of the contract × trading unit |

The total of the client's position profit or loss of the contract shall refer to the total of the profit or loss calculated at the difference between the actual execution price and the settlement price of the relevant same day with respect to the client's all positions of the contract.

1. Determination of the liquidation scope for the client with the net position profit

All the speculative positions of the client of which the client's net unit position profit is greater than zero profit as calculated above, and the hedging positions of the client whose net unit position profit is greater than or equal to seven percent (7%) of the settlement price on the N+2 trading day as calculated above, shall both fall into the liquidation scope.

1. Distribution principles and methods of the liquidation quantities:
2. Distribution principles and methods of the liquidation quantity

The distribution thereof shall be made level by level, within the liquidation scope, divided on the basis of the four levels as per the amount of the profits and the difference between speculation and hedging.

Firstly, the distribution shall be made to the speculative positions which fall in the liquidation scope and whose net unit position profit is greater than or equal to six percent (6%) of the settlement price of the N+2 trading day ("**Speculative Positions with No Less Than Six Percent Profit**");

Secondly, the distribution shall be made to the speculative positions whose net unit position profit is greater than or equal to three percent (3%) of the settlement price on the N+2 trading day but less than six percent (6%) thereof ("**Speculative Positions with No Less Than Three Percent Profit**");

Thirdly, the distribution shall be made to the speculative positions whose net unit position profit is less than three percent (3%) of the settlement price on the N+2 trading day but greater than zero profit ("**Speculative Positions with Greater Than Zero Profit**");

Finally, the distribution shall be made to the hedging positions whose net unit position profit is greater than or equal to seven percent (7%) of the settlement price on the N+2 trading day ("**Hedging Positions with Seven Percent Profit**").

The foregoing distribution proportions shall be made on the basis of the ratio of the ordered liquidation quantity (the remaining ordered liquidation quantity) to the quantity of the profit positions of each level which may be liquidated.

1. Distribution methods and steps of the liquidation quantity

With respect to the actual liquidation quantity, in case the quantity of the net unit positions of the Speculative Positions with No Less Than Six Percent Profit is greater than or equal to the ordered liquidation quantity, the ordered liquidation quantity shall be distributed to the net unit positions of the Speculative Positions with No Less Than Six Percent Profit on the basis of the ratio of the ordered liquidation quantity to the quantity of the net unit positions of the Speculative Positions with No Less Than Six Percent Profit.

With respect to the actual liquidation quantity, in case the quantity of the net unit positions of the Speculative Positions with No Less Than Six Percent Profit is less than the ordered liquidation quantity, the quantity of the net unit positions of the Speculative Positions with No Less Than Six Percent Profit shall be distributed to the client which orders the liquidations; the remaining ordered liquidation quantity shall be distributed to the net unit positions of the Speculative Positions with No Less Than Three Percent Profit pursuant to the foregoing method; after that, any remaining quantity shall be distributed to the net unit positions of the Speculative Positions with Greater Than Zero Profit; after that, any remaining quantity shall be distributed to the net unit positions of the Hedging Positions with Seven Percent Profit; and after that, any remaining quantity will not be distributed.

The distribution of the liquidation quantity shall take "*lot*" as the unit; and any quantity less than one (1) Lot shall be calculated as follows: Firstly, the integer of the liquidation quantity which is distributed to each trading code shall be distributed; and then, the decimal thereof shall be distributed as per the order of "from large to small" on the basis of "rounded up to an integer".

1. Execution of the mandatory tear-up

The mandatory tear-up will be automatically executed by the trading system under the mandatory tear-up principle after the closing of the market on the N+2 trading day; and the result of the mandatory tear-up result shall be treated as the Member's trading result on the N+2 trading day.

1. Price of the mandatory tear-up

The price of the mandatory tear-up shall be the limit price of the contract on the N+2 trading day.

1. Any economic loss arising out of or in connection with the aforesaid position-reduction shall be borne by the Member, the overseas brokers and their clients.
2. In the event the risks are still not released after the foregoing measures have been taken, the Exchange will declare the existence of an abnormal event and take the risk control measures in accordance with the relevant provisions.

**Chapter IV Position Limit**

1. The Exchange shall implement the position limit mechanism. With respect to a certain contract, the position limit shall refer to the unilaterally calculated maximum amount of its speculative position which may be held by the Member or the client as prescribed by the Exchange. The positions of the clients and the Non-Futures Company Members involving actual control relationship shall be calculated on a consolidated basis.
2. The position limit shall be subject to the following policies:
3. the amount of the position limit of the futures contracts of each month for each product shall be respectively determined on the basis of the specific conditions of the different futures products;
4. the different amounts of the position limits shall be applied to the futures contracts during the different phrases of their trading course, and the amounts of the position limits of the futures contracts which are in the delivery month shall be strictly controlled;
5. the hedging position and the arbitrage position shall be managed in accordance with relevant provisions of the *Measures for Hedging Management of Dalian Commodity Exchange* and the *Measures for Arbitrage Trading Management of Dalian Commodity Exchange*; and
6. position of market makers shall be governed by the relevant provisions in the Measures for Market Maker Management of Dalian Commodity Exchange.
7. In case the same client has more than one trading code at the different Futures Company Members, the total quantities of all the open positions under any and all the trading codes shall not exceed the amount of the position limit for one client.
8. Position limit requirements shall be applied to the Non-Futures Company Members and the clients as follows:

During the general months in which the futures contract of a certain product other than the eggs and the ethylene glycol is listed to trade (from the listing of the contract to the fourteenth trading day of the month immediately preceding the delivery month), in case the quantity of the unilateral open interest exceeds a certain amount, the amount of the position limit shall be determined as per a certain percentage of the quantity of the unilateral positions held by the Non-Futures Company Member and the client; and in case the quantity of unilateral open interest is less than or equal to the foresaid amount, the amount of the position limit of the contract shall be determined as per an absolute quantity of the positions held by the Non-Futures Company Member and the client. During the period from the fifteenth trading day of the month immediately preceding the delivery month to the delivery month, the amount of the position limit shall be determined as per an absolute quantity of the positions held by the Non-Futures Company Member and the client. With respect to the eggs futures contracts, the amount of the position limit shall be determined as per an absolute quantity of the positions held by the Non-Futures Company Member and the client. With respect to the ethylene glycol, the amount of the position limit of the Non-Futures Company Member and the client shall be determined as per the unilateral position of the contract during the period from the listing of the contract to the last trading day of the month immediately preceding the delivery month; and be determined as per an absolute quantity of the positions during the delivery month.

The amount of the position limit of a contract within a certain trading period shall be applied upon settlement on the trading day immediately preceding the commencement date of such trading period. If the position limit of the contract on a certain day is to be determined as per unilateral open interest of the contract, the unilateral open interest shall be the open interest upon settlement on the trading day immediately preceding such day.

1. Position limits of futures contracts of each product shall be as follows:
2. products other than the eggs and the ethylene glycol
3. During the general months of the futures contract of a certain product other than the eggs and the ethylene glycol (from the listing of the contract to the fourteenth trading day of the month immediately preceding the delivery month), the position limit applicable to the Non-Futures Company Member and the client shall be as follows:

(Unit: Lot)

|  |  |  |  |
| --- | --- | --- | --- |
| **Product** | **Unilateral Open Interest of Contract** | **Non-Futures Company Member** | **Client** |
| No. 1 soybeans | Unilateral open interest ≤150,000 | 30,000 | 15,000 |
| Unilateral open interest ＞150,000 | Unilateral open interest ×20% | Unilateral open interest ×10% |
| No. 2 soybeans | Unilateral open interest ≤200,000 | 20,000 | 20,000 |
| Unilateral open interest ＞200,000 | Unilateral open interest ×10% | Unilateral open interest ×10% |
| Soybean meal | Unilateral open interest ≤400,000 | 80,000 | 40,000 |
| Unilateral open interest ＞400,000 | Unilateral open interest ×20% | Unilateral open interest ×10% |
| Corn | Unilateral open interest ≤400,000 | 80,000 | 40,000 |
| Unilateral open interest ＞400,000 | Unilateral open interest ×20% | Unilateral open interest ×10% |
| Soybean oil | Unilateral open interest ≤200,000 | 40,000 | 20,000 |
| Unilateral open interest ＞200,000 | Unilateral open interest ×20% | Unilateral open interest ×10% |
| RBD palm olein | Unilateral open interest ≤100,000 | 20,000 | 10,000 |
| Unilateral open interest ＞100,000 | Unilateral open interest ×20% | Unilateral open interest ×10% |
| Linear low density polyethylene | Unilateral open interest ≤100,000 | 20,000 | 10,000 |
| Unilateral open interest ＞100,000 | Unilateral open interest ×20% | Unilateral open interest ×10% |
| Polyvinyl chloride | Unilateral open interest ≤200,000 | 40,000 | 20,000 |
| Unilateral open interest ＞200,000 | Unilateral open interest ×20% | Unilateral open interest ×10% |
| Coke | Unilateral open interest ≤50,000 | 5,000 | 5,000 |
| Unilateral open interest ＞50,000 | Unilateral open interest ×10% | Unilateral open interest ×10% |
| Coking coal | Unilateral open interest ≤80,000 | 8,000 | 8,000 |
| Unilateral open interest ＞80,000 | Unilateral open interest×10% | Unilateral open interest ×10% |
| Iron ore | Unilateral open interest ≤400,000 | 40,000 | 40,000 |
| Unilateral open interest ＞400,000 | Unilateral open interest ×10% | Unilateral open interest ×10% |
| Fiberboard | Unilateral open interest ≤300,000 | 30,000 | 30,000 |
| Unilateral open interest ＞300,000 | Unilateral open interest ×10% | Unilateral open interest ×10% |
| Blockboard | Unilateral open interest ≤60,000 | 6,000 | 6,000 |
| Unilateral open interest ＞60,000 | Unilateral open interest ×10% | Unilateral open interest ×10% |
| Polypropylene | Unilateral open interest ≤200,000 | 20,000 | 20,000 |
| Unilateral open interest ＞200,000 | Unilateral open interest ×10% | Unilateral open interest ×10% |
| Corn starch | Unilateral open interest ≤150,000 | 15,000 | 15,000 |
| Unilateral open interest ＞150,000 | Unilateral open interest ×10% | Unilateral open interest ×10% |
| Polished round-grained rice | Unilateral open interest ≤200,000 | 20,000 | 20,000 |
| Unilateral open interest ＞200,000 | Unilateral open interest ×10% | Unilateral open interest ×10% |
| Ethenylbenzene | Unilateral open interest ≤120,000 | 12,000 | 12,000 |
| Unilateral open interest ＞120,000 | Unilateral open interest ×10% | Unilateral open interest ×10% |
| Liquefied Petroleum Gas | Unilateral open interest ≤80,000 | 8,000 | 8,000 |
| Unilateral open interest ＞80,000 | Unilateral open interest×10% | Unilateral open interest ×10% |

1. During the period from the fifteenth trading day of the month immediately preceding the delivery month to the delivery month, the position limit applicable to the Non-Futures Company Member and the client for any product other than the eggs and the ethylene glycol is shown in the table below, and the position limit applicable to the individual client during the delivery month shall be zero (0):

(Unit:Lot)

|  |  |  |  |
| --- | --- | --- | --- |
| **Product** | **Period** | **Non-Futures Company Member** | **Client** |
| No. 1 soybeans | As from the fifteenth trading day of the month immediately preceding the delivery month | 5,000 | 2,500 |
| Delivery month | 2,000 | 1,000 |
| No. 2 soybeans | As from the fifteenth trading day of the month immediately preceding the delivery month | 4,500 | 4,500 |
| Delivery month | 1,500 | 1,500 |
| Soybean meal | As from the fifteenth trading day of the month immediately preceding the delivery month | 15,000 | 7,500 |
| Delivery month | 5,000 | 2,500 |
| Soybean oil | As from the fifteenth trading day of the month immediately preceding the delivery month | 6,000 | 3,000 |
| Delivery month | 2,000 | 1,000 |
| RBD palm olein | As from the fifteenth trading day of the month immediately preceding the delivery month | 3,000 | 1,500 |
| Delivery month | 1,000 | 500 |
| Corn | As from the fifteenth trading day of the month immediately preceding the delivery month | 30,000 | 15,000 |
| Delivery month | 10,000 | 5,000 |
| Linear low density polyethylene | As from the fifteenth trading day of the month immediately preceding the delivery month | 6,000 | 3,000 |
| Delivery month | 2,000 | 1,000 |
| Polyvinyl chloride | As from the fifteenth trading day of the month immediately preceding the delivery month | 10,000 | 5,000 |
| Delivery month | 5,000 | 2,500 |
| Coke | As from the fifteenth trading day of the month immediately preceding the delivery month | 900 | 900 |
| Delivery month | 300 | 300 |
| Coking coal | As from the fifteenth trading day of the month immediately preceding the delivery month | 1,500 | 1,500 |
| Delivery month | 500 | 500 |
| Iron ore | As from the fifteenth trading day of the month immediately preceding the delivery month | 6,000 | 6,000 |
| Delivery month | 2,000 | 2,000 |
| Fiberboard | As from the fifteenth trading day of the month immediately preceding the delivery month | 800 | 800 |
| Delivery month | 200 | 200 |
| Blockboard | As from the fifteenth trading day of the month immediately preceding the delivery month | 80 | 80 |
| Delivery month | 20 | 20 |
| Polypropylene | As from the fifteenth trading day of the month immediately preceding the delivery month | 5,000 | 5,000 |
| Delivery month | 2,500 | 2,500 |
| Corn starch | As from the fifteenth trading day of the month immediately preceding the delivery month | 4,500 | 4,500 |
| Delivery month | 1,500 | 1,500 |
| Polished round-grained rice | As from the fifteenth trading day of the month immediately preceding the delivery month | 2,000 | 2,000 |
| Delivery month | 1,000 | 1,000 |
| Ethenylbenzene | As from the fifteenth trading day of the month immediately preceding the delivery month | 2,000 | 2,000 |
| Delivery month | 1,000 | 1,000 |
| Liquefied Petroleum Gas | As from the fifteenth trading day of the month immediately preceding the delivery month | 1,000 | 1,000 |
| Delivery month | 500 | 500 |

1. Egg

The position limit applicable to eggs futures contracts of the Non-Futures Company Member and the client is shown in the table below, and the position limit applicable to the individual client during the delivery month shall be zero (0):

(Unit: Lot)

|  |  |  |
| --- | --- | --- |
| **Trading Period** | **Non-Futures Company Member** | **Client** |
| As from the listing of the contract | 1,200 | 1,200 |
| As from the first trading day of the month immediately preceding the delivery month | 400 | 400 |
| As from the tenth trading day of the month immediately preceding the delivery month | 120 | 120 |
| Delivery month | 20 | 20 |

1. Ethylene glycol

The position limit of the ethylene glycol futures contract for the Non-Futures Company Member and the client is shown in the table below, and the position limit of the individual client during the delivery month shall be zero (0): (Unit: Lot)

|  |  |  |
| --- | --- | --- |
| **Product** | **General Provisions** | **Special Provision**  |
| **Period** | **Unilateral Open Interest of Contract** | **Non-Futures Company Member**  | **Client**  | **Period** | **Unilateral Open Interest of Contract** | **Non-Futures Company Member** | **Client** |
| Ethylene glycol | From the listing of the contract to the fourteenth trading day of the month immediately preceding the delivery month | Unilateral open interest ≤80,000 | 8,000 | From the first trading day of the month immediately preceding the delivery month to the fourteenth trading day of such month | Unilateral open interest ＞120,000 | 3000 (such standard shall remain unchanged until the fourteenth trading day of such month) |
| Unilateral open interest ＞80,000 | Unilateral open interest ×10% |
| From the fifteenth trading day of the month immediately preceding the delivery month to the last trading day of such month | —— | 3000 | From the fifteenth trading day of the month immediately preceding the delivery month to the last trading day of such month | Unilateral open interest＞80,000 | 1000 (such standard shall remain unchanged until the last trading day of such month) |
| Delivery month | —— | 1000 | —— | —— | —— | —— |

1. The quantity of the positions held by the Non-Futures Company Member or the client shall not exceed the position limit as prescribed by the Exchange; and with respect to any excess thereof, the same-direction opening of the position for trading shall be prohibited. The forced position liquidation will be carried out by the Exchange in accordance with the applicable provisions on the immediately following trading day against the Non-Futures Company Member or the client whose positions exceed the position limit.

With respect to a certain client which has more than one trading code at different Futures Company Members, in case the total of his or her open interest exceeds the amount of the position limit, the Exchange will specify relevant Futures Company Members to carry out the forced position liquidation against such client with respect to its positions exceeding the position limit.

In case the open interest of the Non-Futures Company Member or the client exceeds the position limit, the Exchange may also adopt regulatory actions including making a telephone reminder, requiring an explanatory report, requiring a written letter of commitment, adding such Member or client to the key regulatory list, restricting its position opening, etc.

**Chapter V Trading Limit**

1. The Exchange shall implement the trading limit mechanism. The trading limit shall refer to the maximum quantity of the positions over a certain contract within a certain period that can be opened by a Member or client as prescribed by the Exchange. The Exchange may, on the basis of the market situation, formulate the trading limits over different products or contracts or over part or all of the Members or clients, the specific standards for which shall be separately published by the Exchange.

The quantity of opening positions of hedge trading and market making shall not be limited by the preceding paragraph of this Article.

1. The quantity of opening positions of the Non-Futures Company Member or client shall not exceed the trading limit prescribed by the Exchange. With respect to any excess thereof, the Exchange may adopt regulatory actions including telephone reminder, requiring for explanatory report, requiring for a written letter of commitment, adding such Non-Futures Company Member or client to the key regulatory list, suspending position opening for trading, etc.

**Chapter VI Large Position Report**

1. The Exchange shall implement the large position report mechanism. When a Non-Futures Company Member's or a client's speculative positions of a certain product reaches no less than eighty percent (80%) (inclusive) of the position limit applicable to it as prescribed by the Exchange, the Non-Futures Company Member or the client shall report to the Exchange the information of its funds and positions; and the client must make the report through the Futures Company Member. The client which entrusts an overseas broker to engage in futures trading shall entrust its overseas broker to make the report, and the overseas broker shall entrust a Futures Company Member to make the report.

The Non-Futures Company Member and the client shall ensure the authenticity, accuracy and completeness of the large position reports and other materials provided by them.

The Exchange may adjust the position reporting thresholds on the basis of the market risks.

1. In case the Non-Futures Company Member's or the client's positions reach the reporting thresholds as prescribed by the Exchange, the Non-Futures Company Member or the client shall initiatively report to the Exchange prior to 15:00 on the immediately following trading day. The Exchange will notify the relevant Member of any further or supplementary report if necessary.
2. The Non-Futures Company Member which reaches the Exchange's reporting threshold shall submit to the Exchange the following materials:
3. the completely filled-in *Large Position Report Sheet for Non-Futures Company Members* (See Annex 2) with the items including the Member's name, the Member's number, the contract symbol, the current positions, the position nature, the position margin, the disposable funds, the position intent, the pre-reported delivery quantity, and the applied delivery quantity;
4. the explanation on the sources of the funds; and
5. other materials required by the Exchange.
6. The client which reaches the Exchange's reporting threshold shall submit to the Exchange the following materials:
7. the completely filled-in *Large Position Report Sheet for Clients* (See Annex 3) with the items including the Member's name, the Member's number, the client's name and code, the contract symbol, the current positions, the position nature, the position margin, the disposable funds, the position intent, the pre-reported delivery quantity, the applied delivery quantity, and otherwise;
8. the explanation on the sources of the funds;
9. the account-opening materials and the settlement documents of that day; and
10. other materials required by the Exchange.
11. The Futures Company Member and the overseas broker shall carry out first review of the relevant materials provided by the client which reaches the Exchange's reporting threshold, and then forward them to the Exchange by the Futures Company Member. The Futures Company Member and the overseas broker shall ensure the authenticity and accuracy of the materials provide by the client.
12. The Exchange shall from time to time examine the materials provided by the Member, the overseas broker or the client.
13. In case a client has more than one trading code at different Futures Company Members and the total quantity of the positions under any and all such trading codes reaches the reporting threshold, the Exchange shall specify and notify the relevant Futures Company Members to be responsible for submitting the relevant materials of the information which shall be reported by such client.

**Chapter VII Forced Position Liquidation**

1. The Exchange shall implement the forced position liquidation for the purpose of controlling the market risks. The forced position liquidation shall refer to the coercive liquidation measure which is carried out by the Exchange against the relevant positions in case the Member or client commits a violation.
2. Upon occurrence of any of the following circumstances to the Member or client, the Exchange may carry out the forced position liquidation against its positions:
3. the Member's clearing deposit are less than zero and fail to be fully paid up within the required period;
4. the open interest held by the Non-Futures Company Member and the client exceeds their position limits;
5. it is subject to the punishment of forced position liquidation imposed by the Exchange due to any violation;
6. any circumstance under which the forced position liquidation shall be carried out on the basis of the Exchange's emergency measure(s); or
7. any other circumstance under which the forced position liquidation shall be carried out.
8. The principles for implementation of the forced position liquidation shall be:

The forced position liquidation shall be firstly carried out by the Member itself; and unless otherwise specially provided by the Exchange, the time limits shall be the night trading sessions, the first session and the second session trading time for any product to which the night trading applies, or shall be the first session and second session trading time for any product to which the night trading does not apply. In case the Member fails to fully complete forced position liquidation during the time limits, the forced position liquidation shall be coercively carried out by the Exchange from the third session. With respect to those which are required to carry out forced position liquidation due to their clearing deposit being less than zero, the relevant Member's position opening for trading will be prohibited until the full payment of the margins to the balance of the minimum clearing deposit.

With respect to the forced position liquidation under item (3), (4) and (5) of Article 41, the time of the forced position liquidation will be announced by the Exchange.

1. Determination of the positions against which the forced position liquidation will be carried out by the Member
2. With respect to the forced position liquidation under item (1) or (2) of Article 41 above, the positions against which the forced position liquidation shall be carried out shall be determined by the Member itself provided solely that the result of the forced position liquidation satisfies the Exchange's rules; and
3. With respect to the forced position liquidation under item (3), (4) or (5) of Article 41 above, the positions against which the forced position liquidation shall be carried out shall be determined by the Exchange.
4. Determination of the positions against which the forced position liquidation will be carried out by the Exchange
5. With respect to the forced position liquidation under item (1) of Article 41 above, the Exchange shall calculate the margin call for the Member on the basis of the balance of the Member's clearing deposit at 13:00, and the forced position liquidation shall be carried out against all clients of the Member under the principle of equal ratio liquidation on the basis of the trading margin.

Liquidation ratio = trading margin which shall be additionally paid by the Member / Total amount of the Member's trading margins ×100%

Trading margins to be released by the client through liquidation = total amount of the client's trading margins × liquidation ratio

With respect to a client's positions against which the forced position liquidation shall be carried out, the general determination principles are "portfolio positions after non-portfolio positions", which includes:

1. When a non-portfolio position is being liquidated, the open contracts shall be selected for forced position liquidation according to the principle of "options after futures".

When the futures positions in a non-portfolio position are being liquidated, the open contracts shall be selected for forced position liquidation in the sequence of "hedging after speculation", and then "from the largest to the smallest" in respect of the total positions of the contracts at the time of settlement on the previous trading day.

When the options positions in a non-portfolio position are being liquidated, the open contracts shall be selected for forced position liquidation in the sequence of "the long options positions after the short options positions", then "hedging after speculation", and then "from the largest to the smallest" in respect of the total positions of the contracts at the time of settlement on the previous trading day.

1. When a portfolio position is being liquidated, the contracts shall be selected for forced position liquidation in the sequence of the portfolio priorities "from the lowest to the highest".

In case the forced position liquidation will be taken against more than one Member, the Exchange shall follow the order of "from large to small" on the basis of the amount of additional margins and carry out the forced position liquidation against the Member which is required to pay the larger additional margin.

1. With respect to the forced position liquidation under item (2) of Article 41 above, if both the speculative positions and the hedging positions exceed the position limit, the forced position liquidation shall be carried out following the order of "the hedging positions after the speculative positions".

In case the client has the speculative positions at more than one Futures Company Member, the forced position liquidation shall be carried out at the appropriate Futures Company Members by following the order of "from large to small" on the basis of the quantity of the client's speculative positions. In case more than one client's speculative positions exceed the position limit, the force liquidation shall be carried out by following the order of "from large to small" on the basis of the quantity of the clients' speculative positions over the position limit.

1. With respect to the forced position liquidation under item (3), (4) or (5) of Article 41 above, the positions against which the forced position liquidation will be carried out shall be determined by the Exchange on the basis of the specific circumstances of the involved Members and clients.

In case the Member satisfies the circumstances under items (1) and (2) of Article 41 above, the Exchange shall determine the positions against which the forced position liquidation will be carried out firstly on the basis of the item (2) circumstance, and then on the basis of the item (1) circumstance.

1. Execution of the forced position liquidation:
2. Notification

The liquidation requirement will be notified by the Exchange by a "Forced Position Liquidation Notice" (the "**Notice**") to the relevant Member. In addition to the special delivery of the Notice by the Exchange, it may be sent through the member service system together with the settlement data of the relevant day, and may be acquired by the relevant Member through the Member service system.

1. Execution and confirmation
2. After the opening of the market, the relevant Member must firstly carry out liquidation by itself until satisfaction of the liquidation requirements;
3. In case the liquidation fails to be fully completed within the time limit of forced position liquidation by the Member itself, the forced position liquidation will be directly carried out by the Exchange against the remaining portions thereof;
4. After the full completion of the forced position liquidation, the Exchange shall record and keep file of the execution result; and
5. The forced position liquidation result shall be sent together with the execution records of the relevant day and may be acquired by the relevant Member through the Member service system.
6. The entrusted price of the forced position liquidation shall be the limit price of the contract, and the execution price of the forced position liquidation shall be formed through the market trading.
7. In case the forced position liquidation cannot be fully completed on the relevant day due to the price limits or any other market reason, the Exchange may take appropriate measures against the Member or the client on the basis of the settlement result.
8. In case the forced position liquidation of the relevant positions can solely be completed in the delayed period due to the limitation of the price limits or any other market reason, the loss arising out thereof shall still be borne by the directly liable person; and in case the liquidation fails to be completed, the holder of the positions shall continue to be liable for holding such positions or bear the obligation of delivery.
9. Except for item (3) of Article 41 above, any profit or loss arising out of the forced position liquidation shall belong to the position holder. In case the position holder is a client, the loss arising out of the forced position liquidation shall be firstly borne by the futures company Member at which the client opens the account, and then may be claimed by the Futures Company Member against the client. In case the position holder is an overseas broker's client, the overseas broker shall assist the Futures Company Member entrusted by it with trading settlement to carry out the forced position liquidation. With respect to any losses arising out of the forced position liquidation, the Futures Company Member which carries out the trading settlement for the overseas broker shall firstly bear such losses and then claim against the overseas broker; and the overseas broker shall claim against the client after it has borne the losses.

With respect to the forced position liquidation carried out as per item (3) of Article 41 above, the loss arising out thereof shall be borne by the Member or the client and the profit arising out thereof shall be recorded in the Exchange's non-business income.

The profit or loss arising out of the forced position liquidation against the Member or the client shall be calculated in accordance with the applicable provisions with respect to the liquidation profit and/or loss under the *Measures for Clearing Management of Dalian Commodity Exchange*.

**Chapter VIII Handling of Abnormalities**

1. During the course of the futures trading, upon occurrence of any of the following circumstances, the Exchange may declare an abnormality and take the emergency measures to mitigate or prevent the risks:
2. the trading cannot be normally carried out due to earthquake, floods, fires or any other force majeure events or computer failure or any other reason that cannot be attributable to the Exchange;
3. the Member suffers the settlement or delivery crisis, which is exerting, or will exert, significant impacts upon the market;
4. the same-direction continuous price limit occurs with respect to the futures price, and there are grounds to believe that the Member, the overseas broker or the client violates the Exchange's trading rules or its detailed implementation rules, which is exerting, or will exert, significant impacts upon the market; or
5. other circumstances prescribed by the Exchange.

In case of the abnormality under item (1) of the preceding paragraph, the Chief Executive Officer of the Exchange may take such emergency measures as adjustment of the time of opening and/or closing the market, or suspension of trading; and in case of the abnormality under item (2), (3) or (4) of the preceding paragraph, the Board of Governors may decide to take such emergency measures as adjustment of the time of opening and/or closing the market, suspension of trading, adjustment of the price limit range, adjustment of the trading margins, suspension of opening new positions, close-out within designated time limit, forced position liquidation, limited withdrawal, or otherwise.

1. Prior to the declaration by the Exchange of an abnormality and its decision of taking emergency measures, it shall report to CSRC.
2. When the Exchange declares an abnormality and decides suspension of trading, the period for suspension of trading shall not exceed three (3) trading days unless otherwise extended as approved by CSRC.
3. Upon occurrence of technical failures, the Exchange shall incur no liability under any of the following circumstances:
4. the technical failure due to force majeure;
5. the technical failure for any reason that cannot be attributable to the Exchange; or
6. other exemption circumstances provided by the laws, regulations or rules.

**Chapter IX Risk Warning**

1. The Exchange shall implement the risk warning mechanism. Where the Exchange deems necessary, the Exchange may individually or concurrently take one or more of such measures as requiring reporting information, conversation reminding, issuance of the risk warning letter and other measures so as to warn and mitigate or prevent the risks.
2. Upon occurrence of any of the following circumstances, the Exchange may require the Member, the overseas broker or the client to report information, or call in the senior management personnel of the Member and the overseas broker or the client, to have a conversation and remind the risks:
3. an abnormal change occurs to the contract price;
4. an abnormal change occurs to the ratio of trading volume to open interest of products or contracts;
5. the Member or the client commits an abnormal trading;
6. the relatively large change occurs to the positions held by the Member, the overseas broker or the client;
7. the amount or proportion of the positions held by the Member, the overseas broker or the client is too large or too high;
8. the amount or proportion of the transactions executed by the Member, the overseas broker or the client is too large or too high;
9. the relatively large change occurs to the Member's funds;
10. the Member, the overseas broker or the client is suspected of committing a violation;
11. the Member, the overseas broker or the client is subject to complaints;
12. the Member, the overseas broker or the client is involved in the judicial investigation or the litigation cases; or
13. other circumstances determined by the Exchange.

In case the Exchange requires the Member, the overseas broker or the client to report information, the Member, the overseas broker or the client shall truly report the information as per the time, contents and manner as required by the Exchange.

In case the Exchange carries out the conversation reminding, the Member, the overseas broker or the client shall seriously perform such request as per the time, contents and manner required by the Exchange.

In case the Exchange makes a telephone reminder, the phone records shall be kept; in case of a video conversation, the relevant video shall be preserved and in case of the face-to-face conversation, the conversation records shall be preserved.

1. Upon occurrence of any of the following circumstances, the Exchange may issue a risk warning letter to all or part of the Members, the overseas brokers and the clients:
2. an abnormal change occurs to the futures market trading;
3. a relatively large change occurs to the domestic and/or international futures and/or physical market;
4. the Member, the overseas broker or the client is suspected of committing an irregularity;
5. there exists a relatively large risk to the Member, the overseas broker or the client; or
6. other abnormal circumstances determined by the Exchange.

**Chapter X Supplementary Provisions**

1. The Exchange shall deal with any violation of the Measures in accordance with the applicable provisions under the *Measures against Rule Violations of Dalian Commodity Exchange*.
2. In case the Exchange has any special provisions for the risk management on option trading, such provisions shall prevail.
3. The Exchange reserves the right to interpret the Measures.
4. The Measures shall come into force on the date of promulgation.

Annex 1: Methods and Steps for Distribution of Liquidation Positions after Three Consecutive Price Limits (omitted)

Annex 2: DCE Large Position Report Sheet for Non-Futures Company Members (omitted)

Annex 3: DCE Large Position Report Sheet for Clients (omitted)

***Disclaimer****:* *This English translation may be used for reference only. In case there is any discrepancy between the English version and the original Chinese version, the original Chinese version shall prevail. Dalian Commodity Exchange may change or update this English translation without any prior notice and shall accept no responsibility or liability for damage or loss caused by any error, inaccuracy, misunderstanding, or change with regard to this English translation*.