

[English Translation]

**REGULATIONS FOR
MARGIN AND UNSETTLED CONTRACTS FOR
FX CLEARING FUTURES TRANSACTIONS**

TOKYO FINANCIAL EXCHANGE INC.

(This is an English translation of the Regulations for Margin and Unsettled Contracts for FX Daily Futures Transactions, the original of which has been prepared in the Japanese language only. The Japanese language text hereof shall govern for all purposes and in all respects. Accordingly, all questions that may arise within or without courts of law in regard to the meaning of the words, provisions and stipulations of these Regulations shall be decided in accordance with the Japanese language text. Tokyo Financial Exchange Inc. (“TFX”) assumes no responsibility for accuracy, correctness, or content of this English text.)

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CHAPTER I.

GENERAL PROVISIONS

Article 1. Purpose

1.1 These Regulations set forth the matters necessary to stipulate in connection with margins and unsettled contracts in connection with FX Clearing Futures transactions and other related matters in accordance with the Exchange's regulations as follows: Article 1-2 of the Trading Regulations and Article 30 of the Clearing Regulations.

1.2 Amendments to Section 3 of Chapter II shall be effected by obtaining the consent of the Self-regulatory Committee.

Article 2. Definitions

The terms used herein shall have the meanings ascribed to them as below.

- (1) "FX Clearing Exchange Margin" means the money deposited by an FX Clearing Futures Trading Member with the Exchange with respect to FX Clearing Futures transactions and bids and offers submitted related thereto for the purpose of ensuring the performance of the FX Clearing Futures Trading Member's obligations relevant to its FX Clearing Futures contracts.
- (2) A "deposited FX Clearing Exchange Margin Amount" means the amount of FX Clearing Exchange Margin (including the amount of FX Clearing variation transferred pursuant to Article 9 hereof and, with respect to an FX Broker Trading Member, including a deposited LG Margin amount) already deposited with the Exchange.
- (3) A "deposited cash margin amount" means the amount of FX Clearing Exchange Margin already deposited with the Exchange in the currency of Japanese Yen (including the amount of FX Clearing variation transferred pursuant to Article 9 hereof).

- (4) “FX Clearing Margin” means a sum of: (i) the amount of FX Clearing Exchange Margin already deposited by an FX Clearing Futures Trading Member with the Exchange and (ii) the amount of FX Clearing variation of the said FX Clearing Futures Trading Member if it is greater than zero.
- (5) An “FX Clearing Margin amount” means the amount of FX Clearing Margin.
- (6) “LG” means the Exchange’s right to receive payment of monies under the guarantee obligations owed by a qualified LG issuing bank to the Exchange with respect to the obligations to be performed by an FX Broker Trading Member under FX Clearing Futures contracts.
- (7) “Letter of Guarantee Agreement” means an agreement on the LG between the Exchange and a qualified LG issuing bank that satisfies the requirements prescribed in Article 20 hereof.
- (8) A “deposited LG Margin amount” means the amount of FX Clearing Exchange Margin already deposited under the LG at the Exchange.
- (9) A “qualified LG issuing bank” means a financial institution designated by the Exchange as a counterparty of a Letter of Guarantee Agreement pursuant to Article 18.2 hereto.
- (10) A “margin reference rate” means a percentage figure determined by the Exchange as a basis for calculation of the amount of FX Clearing Exchange Margin to be deposited with the Exchange by an FX Clearing Futures Trading Member with respect to FX Clearing Futures contracts executed by the FX Clearing Futures Trading Member for its house account.
- (11) “FX Clearing variation” means FX Clearing variation as defined in Article 90-29.1 of the Clearing Regulations.
- (12) “FX Clearing variation margin subject to transfer” means an FX Clearing variation relating to positions to be settled before being transferred to FX

Clearing Exchange Margin pursuant to Article 9 hereof.

- (13) “Initial Margin equivalent” means the amount of absolute value of the difference between the principal amount of short positions and that of long positions held multiplied by a margin reference rate calculated for each type of FX Clearing Futures contracts, converted into the currency of Japanese Yen at the FX Clearing Settlement Price (meaning the “FX Clearing Settlement Price” defined in Article 90-25 of the Clearing Regulations) of Yen Currency Pairs transaction (meaning the “Yen Currency Pairs transaction” defined in Article 2(10) of the Special Provisions for Trading Regulations for FX Clearing Futures Transactions (hereinafter called the “FX Clearing Special Provisions”)) for the currency of the principal amount on each trading day.
- (14) “FX Clearing Margin requirement” means the Initial Margin equivalent adjusted by the amount of FX Clearing variation (if the FX Clearing variation is positive, by deducting such positive amount and, if it is negative, by adding the absolute value of such negative amount).
- (15) “FX Clearing Cash Settlement Requirement for the day” means, based on each trading day, if the FX Clearing variation whose final settlement date (meaning the final settlement date specified in Article 4.2 and Article 4.3 of the FX Clearing Special Provisions; the same interpretation shall apply hereinbelow) is a calendar day on which there occurs the opening of the Market Trading Period of the trading day immediately following a trading day which serves as the basis (hereinafter called the “Base Trading Day”) falls (such calendar day shall be hereinafter called as the “Day”), is a negative amount, the absolute value of such negative amount.
- (16) “FX Clearing Cash Settlement Requirement for the following day” means, the absolute value of a negative FX Clearing variation whose final settlement date is a calendar day on which there occurs the opening of the Market Trading Period of the second trading day after the Base Trading Day (such calendar day shall be hereinafter called as the “Following Day”) adjusted by the amount of FX Clearing variation whose final settlement date is the Following Day (if the FX Clearing variation is positive, by deducting such positive amount and, if it is negative, by

adding the absolute value of such negative amount) (if such adjusted amount becomes a negative amount, it shall be zero).

- (17) A “shortfall of FX Clearing Exchange Margin” means a shortfall provided in Article 6.1 and Article 6.2 hereof.
- (18) “FX Clearing Futures Trading Member” means an FX Clearing Futures Trading Member as defined in Article 2 of the Trading Member Regulations.
- (19) “FX Clearing Futures Clearing Member” means an FX Clearing Futures Clearing Member as defined in Article 3.3 of the Clearing Regulations.
- (20) A “trading day” means the trading day as defined in Article 8 of FX Clearing Special Provisions for any type of FX Clearing Futures contract.

Article 3. Purpose of FX Clearing Margin

3.1 FX Clearing Margin shall be deposited with the Exchange by an FX Clearing Futures Trading Member to ensure the performance of its obligations relevant to FX Clearing Futures contracts.

3.2 In the event of default in any of the obligations set forth in Article 3.1 above, the Exchange shall be entitled to exercise the right with respect to the FX Clearing Margin concerned and appropriate the same for the satisfaction of such obligations.

Article 4. Margin Reference Rate

4.1 The margin reference rate which is applied to FX Clearing Futures contracts shall be calculated for each type of FX Clearing Futures contracts in accordance with the method set forth below:

- (1) On the last trading day of each week (hereinafter called the “Calculation Date”, with respect to each trading day during eight (8) weeks and one hundred and four (104) weeks preceding the week in which a certain Calculation Date falls (in either case, including such week), numerical value shall be calculated by dividing an FX Clearing Settlement Price on

a certain trading day by that on the immediately preceding trading day.

- (2) The natural logarithm shall be taken with respect to each of the numerical values for such eight (8) weeks and one hundred and four (104) weeks obtained pursuant to Article 4.1 (1) above respectively.
- (3) The standard deviation shall be obtained for the numerical values for such eight (8) weeks and one hundred and four (104) weeks obtained pursuant to Article 4.1 (2) above respectively.
- (4) Each of the numerical values for such eight (8) weeks and one hundred and four (104) weeks obtained pursuant to Article 4.1 (3) above shall be multiplied by 2.33.
- (5) Each of the numerical values for such eight (8) weeks and one hundred and four (104) weeks obtained pursuant to Article 4.1 (4) above shall be multiplied by 100, with any fraction of less than two decimal places being rounded up.
- (6) The larger of the amounts for such eight (8) weeks and one hundred and four (104) weeks obtained pursuant to Article 4.1 (5) above shall be the percentage value which shall be applied as the margin reference rate.

4.2 Notwithstanding Article 4.1 above, with respect to the following types of FX Clearing Futures contracts, the larger of the percentage value calculated in accordance with Article 4.1 above and four-hundredths shall be the margin reference rate:

- (1) ZAR-JPY FX Clearing Futures contract
- (2) TRY-JPY FX Clearing Futures contract
- (3) MXN-JPY FX Clearing Futures contract
- (4) CNH-JPY FX Clearing Futures contract

4.3 The margin reference rate shall apply to the period designated by the Exchange from the first trading day in the second week following the week in which the relevant

Calculation Date falls through the first trading day of the next week.

4.4 When the Exchange determines that it is inappropriate to determine the FX Clearing Margin reference rate pursuant to Articles 4.1 and 4.3 above due to reasons such as fluctuation of foreign exchange market rates or otherwise, it may determine the FX Clearing Margin reference rate deemed appropriated by it from time to time.

4.5 When the Exchange determines the FX Clearing Margin reference rate, it shall notify the FX Clearing Futures Trading Members of such FX Clearing Margin reference rate.

CHAPTER II.

RIGHTS AND DUTIES OF FX CLEARING FUTURES TRADING MEMBER IN REGARD TO FX CLEARING MARGINS

Section 1. Depositing of FX Clearing Exchange Margin

Article 5. Up-front Deposit of Margin

5.1 An FX Broker Trading Member shall, before it submits a bid or offer for an FX Clearing Futures contract, deposit the FX Clearing Exchange Margin in order to submit such bid or offer (hereinafter called the “Up-front Exchange Margin”) with the Exchange; except where the difference between the short position and the long position to be held will be reduced upon execution of the FX Clearing Futures contract at such bid or offer.

5.2 The amount of the Up-front Exchange Margin shall be not less than the amount obtained by multiplying the margin reference rate calculated for each type of FX Clearing Futures contracts by the amount of the FX Clearing Futures contract to be executed by such FX Broker Trading Member at its bid or offer, converted into the currency of Japanese Yen by the price deemed appropriate by the Exchange as the price for Yen Currency Pairs

transactions for the currency of principal amount of such FX Clearing Futures contract at the time of submission of such bid or offer.

5.3 In the calculation of the amount specified in Article 5.2 above, if the total sum of the amount of profit or loss that arises if the positions then held by the FX Broker Trading Member are settled and the amount of FX Clearing variation margin subject to transfer is positive, such amount shall be added to the Up-front Exchange Margin.

Article 6. Deposit of FX Clearing Exchange Margin

6.1 If any shortfall set forth in each Item below arises as a result of calculation of FX Clearing variation on each trading day, an FX Broker Trading Member shall deposit the amount equivalent to such shortfall in the currency of Japanese Yen with the Exchange as the FX Clearing Exchange Margin by the date and time set forth in each such Item in the manner separately prescribed by the Exchange:

- (1) Shortfall in the case that the deposited FX Clearing Exchange Margin Amount falls below the FX Clearing Margin requirement: by 11:00 a.m. on a calendar day on which there occurs the opening of the Market Trading Period of the second trading day after the trading day on which the obligation to deposit arises (or, if the calendar day on which there occurs the opening of the Market Trading Period of the trading day immediately following, or the second trading day after, the trading day on which the obligation to deposit arises is a Japanese bank holiday, the immediately following trading day which is a Japanese banking day).
- (2) Shortfall in the case that the deposited cash margin amount falls below the FX Clearing Cash Settlement Requirement for the day: by 11:00 a.m. on a calendar day on which there occurs the opening of the Market Trading Period of the trading day immediately following the trading day on which the obligation to deposit arises (if the calendar day is a Japanese bank holiday, the immediately following trading day which is a Japanese banking day)

6.2 If any shortfall set forth in each Item below arises in the FX Clearing Exchange Margin upon execution of an FX Clearing Futures contract or as a result of calculation of FX Clearing variation on each trading day, an LP Trading Member shall deposit the amount

equivalent to such shortfall (if both shortfalls set forth in (1) and (2) arise, whichever is larger) in the currency of Japanese Yen with the Exchange as the FX Clearing Exchange Margin by 4:00 p.m. on a calendar day on which there occurs the opening of the Market Trading Period of the trading day immediately following the trading day on which the obligation to deposit arises (if the calendar day is a Japanese bank holiday, the immediately following trading day which is a Japanese banking day) in the manner separately prescribed by the Exchange:

- (1) Shortfall in the case that the deposited FX Clearing Exchange Margin Amount falls below the FX Clearing Margin requirement
- (2) Shortfall in the case that the deposited cash margin amount falls below the FX Clearing Cash Settlement Requirement for the following day

6.3 An FX Clearing Futures Trading Member shall submit the materials pertaining to the FX Clearing Exchange Margin in accordance with the requirements separately prescribed by the Exchange.

6.4 In addition to the provisions of these Regulations, matters necessary for the FX Clearing Exchange Margin for FX Clearing Futures transactions shall be separately prescribed by the Exchange.

Section 2. Claim for Refund of FX Clearing Margin

Article 7. Claim for Refund of FX Clearing Margin

7.1 Each FX Clearing Futures Trading Member shall be entitled to claim to the Exchange a refund of the money in the amount equal to the FX Clearing Margin amount.

7.2 Notwithstanding Article 7.1 above, in the following cases, the FX Clearing Futures Trading Member shall be entitled to claim to the Exchange a refund of the money in the amount equal to the FX Clearing Margin amount less the amount set forth in each Item below:

- (1) In the case where the FX Clearing Futures Trading Member owes any obligations payable to the Exchange relating to FX Clearing Futures

contracts: the amount of such obligations

- (2) In the case where the FX Broker Trading Member has made a deposit by an LG specified in Article 17 hereof: Deposited LG Margin Amount relating to the LG

7.3 If a FX Clearing Futures Trading Member exercises its claim for refund relevant to any FX Clearing Margin, such claim shall be exercised by means of drawing of its FX Clearing Exchange Margin pursuant to Article 8 hereof.

Article 8. Drawing of FX Clearing Exchange Margin and Restriction

8.1 An FX Clearing Futures Trading Member may not draw its own FX Clearing Margin; provided, however, an FX Broker Trading Member may draw the FX Clearing Exchange Margin pursuant to Article 8.2 and an LP Trading Member may draw the FX Clearing Exchange Margin pursuant to Article 8.3 below.

8.2 If both amounts set forth in the following Items exist, an FX Broker Trading Member may draw the FX Clearing Exchange Margin from the deposited cash margin amount in the amount up to the lesser of the amounts set forth below in accordance with the requirements separately prescribed by the Exchange:

- (1) If the deposited FX Clearing Exchange Margin Amount exceeds the FX Clearing Margin requirement, the amount of such excess
- (2) If the deposited cash margin amount on the Base Trading Day adjusted by the amount of FX Clearing variation whose final settlement date is the said Base Trading Day (if the FX Clearing variation is positive, by adding such positive amount and, if it is negative, by deducting the absolute value of such negative amount) exceeds the Initial Margin equivalent, the amount of such excess

8.3 If both amounts set forth in the following Items exist, an LP Trading Member may draw the FX Clearing Exchange Margin from the deposited cash margin amount in the amount up to the lesser of the amounts set forth below in accordance with the requirements separately prescribed by the Exchange:

- (1) If the deposited FX Clearing Exchange Margin Amount on the Base Trading Day exceeds the FX Clearing Margin requirement, the amount of such excess
- (2) If the deposited cash margin amount on the Base Trading Day adjusted by the amount of FX Clearing variation whose final settlement date is the Following Day (if the FX Clearing variation is positive, by adding such positive amount and, if it is negative, by deducting the absolute value of such negative amount) and, if the FX Clearing variation whose final settlement date is the Day is negative, after deducting the absolute value of such negative amount) exceeds the Initial Margin amount, the amount of such excess

Article 9. Transfer of FX Clearing Variation for Settlement to FX Clearing Exchange Margin

9.1 If an FX Clearing Futures Trading Member's Collective Offsetting (as defined in Article 90-30.2 of the Clearing Regulations) or rollover (as defined in Article 90-27.2 of the Clearing Regulations) for any of its house account positions relating to FX Clearing Futures contracts at the close of the Market Trading Period on each trading day generates FX variation in relation to such position, the amount of the FX variation shall be transferred to FX Exchange Margin by 2:00 p.m. on the final settlement date for the trading day.

9.2 The Exchange may temporarily change the time and date for the transfer set forth in Article 9.1 above when the Exchange deems necessary to do so. In this case, the Exchange shall give an advance notice to that effect to the FX Clearing Futures Trading Members.

Section 3. Treatment upon Suspension from Transaction or Other Measures Taken as for FX Clearing Futures Contracts

Article 10. Suspension of Refund of FX Clearing Margin due to Suspension from Transactions or Other Measures Taken

If an FX Clearing Futures Trading Member becomes or is deemed likely to

become insolvent and the Exchange imposes suspension from or restriction on transactions or other measure on such FX Clearing Futures Trading Member pursuant to Articles 61 through 63 of the Trading Member Regulations, the Exchange shall temporarily refrain from refunding the FX Clearing Margin to the Suspended Member.

Article 11. Other Treatment involved in Transfer of Unsettled Positions

In addition to the provisions of Articles 10 hereof, any matters necessary for transfer of Unsettled Positions shall from time to time be prescribed by the Exchange.

CHAPTER III.

EFFECTIVE MARGIN RATIO

Article 12. Maintenance of Effective Margin Ratio

An FX Broker Trading Member shall maintain an appropriate level of its own Effective Margin Ratio so that it shall not fall below the levels set forth in each Item of Article 14.1 during the Market Trading Period and shall endeavor to have it constantly exceed two hundred (200) %.

Article 13. Effective Margin Ratio

13.1 The Effective Margin Ratio prescribed in Article 12 above shall be the Effective Margin divided by the intraday requirement of margin and multiplied by one hundred (100), which shall be calculated for each FX Broker Trading Member.

13.2 The Effective Margin prescribed in Article 13.1 above means the amount obtained by adding or subtracting the FX Clearing variation margin subject to transfer to or from the deposited FX Clearing Exchange Margin Amount (if the variation is positive, by adding such positive amount and, if it is negative, by deducting the absolute value of such negative amount) and then adding the amount of profit or subtracting the amount of loss that arises if the FX Clearing Futures contracts are settled at that time. In this case, the amount of profit or loss shall be the amount converted into the currency of Japanese Yen by the price

deemed appropriate by the Exchange as the price for Yen Currency Pairs transactions for the currency of principal amount of each type of FX Clearing Futures contracts at the time.

13.3 The intraday requirement of margin prescribed in Article 13.1 above means the amount obtained by multiplying the margin reference rate calculated for each type of FX Clearing Futures contracts by the absolute value of the difference between the principal amounts of short positions and long positions then held, converted into the currency of Japanese Yen by the price deemed appropriate by the Exchange as the price for Yen Currency Pairs transactions for the currency of principal amount at that time.

13.4 The Exchange shall confirm the sufficiency of the deposit of FX Clearing Exchange Margin by FX Broker Trading Members by the Effective Margin Ratio during the Market Trading Period.

Article 14. Measures to be Taken When Effective Margin Ratio Declines

14.1 When the Exchange deems that an FX Broker Trading Member falls under any of the following Items, the Exchange may take the measures set forth below on the FX Broker Trading Member:

- (1) When the Effective Margin Ratio falls below one hundred and sixty (160) %, a reminder notice concerning decline of Effective Margin Ratio
- (2) When the Effective Margin Ratio falls below one hundred and forty (140) % and it is deemed that an execution of a new FX Clearing Futures contract and the assumption of obligations therefrom are extremely difficult, suspension from or restriction on FX Clearing Futures contracts and suspension from or restriction on the assumption of obligations therefrom (hereinafter called the “Measures including Suspension from Transaction”)
- (3) When the Effective Margin Ratio falls below one hundred (100) % and prompt recovery of the Effective Margin Ratio is deemed difficult, the forced offsetting transaction of unsettled positions of FX Clearing Futures contracts for the account of the FX Clearing Futures Trading Member pursuant to Article 16 hereof (hereinafter called the “forced allocation measures”)

14.2 If an FX Broker Trading Member frequently causes its Effective Margin Ratio to fall below the levels of the Effective Margin Ratio set forth in each Item of Article 14.1 above and the Exchange deems that the sound operation of the Exchange Market may be hindered, the Exchange may raise the level of the margin reference rate or the levels as thresholds for the measures to be taken in the case of decline of Effective Margin Ratio pursuant to Article 14.1 above applicable to the FX Broker Trading Member.

Article 15. Actions to be Taken in Measures including Suspension from Transaction

15.1 If the Exchange determines to take the Measures including Suspension from Transaction, the Exchange shall promptly notify the FX Broker Trading Member subject to the measures and the LP Trading Member as its Designated counterparty Trading Member (meaning the Designated counterparty Trading Member defined in the FX Clearing Special Provisions Article 11.1(1)) of such determination.

15.2 Upon receipt of the notice prescribed in Article 15.1 above, the FX Broker Trading Member shall immediately suspend the presentation of bids and offers for FX Clearing Futures contracts.

15.3 If the FX Broker Trading Member subject to the Measures including Suspension from Transaction deposits the FX Clearing Exchange Margin and causes its Effective Margin Ratio to be two hundred (200) % or above and the Exchange deems it appropriate, the Exchange shall lift the Measures including Suspension from Transaction on the FX Broker Trading Member.

Article 16. Method of Forced Allocation Measures

If the Exchange determines to take forced allocation measures, the Exchange shall take the forced allocation measures promptly in accordance with the requirements separately prescribed by it.

CHAPTER IV.

TREATMENT OF LG AS EXCHANGE MARGIN

Article 17. Deposit by LG

17.1 An FX Broker Trading Member may apply the LG to the deposit of Up-front Exchange Margin (hereinafter called the “Deposit by LG”) subject to the placement of the Letter of Guarantee Agreement by a qualified LG issuing bank to the Exchange.

17.2 In the case of the Deposit by LG, the Exchange deems the maximum guarantee amount specified in the Letter of Guarantee Agreement relating to the LG multiplied by the haircut prescribed by the Exchange (hereinafter called the “valuation haircut”) as the deposited LG Margin amount.

17.3 The valuation haircut prescribed in Article 17.3 above shall be 99/100.

17.4 The Exchange shall set a ceiling on the LG Margin amount of an FX Broker Trading Member and notify the FX Broker Trading Member of the ceiling amount.

17.5 If an FX Broker Trading Member makes a deposit by the LG in the amount exceeding the ceiling amount prescribed in Article 17.4 above, the Exchange shall deem the ceiling amount as the deposited LG Margin amount of the FX Broker Trading Member.

Article 18. Designation of Qualified LG Issuing Bank

18.1 The Exchange shall designate an applicant from among those satisfy the requirements set forth in each Item below to the Exchange as a qualified LG issuing bank:

- (1) a financial institution designated by the Commissioner of Financial Services Agency in accordance with each Item of Article 68, paragraph (1) of the Cabinet Office Order on Financial Instruments Exchanges (Cabinet Office Order No. 54 of 2007), hereinafter called as the “Exchange COO”).
- (2) a bank which is a subsidiary of a bank holding company designated by the Commissioner of Financial Services Agency as set forth in each Item of Article 1 of the Financial Services Agency Notification No.80 of 2015

18.2 If a qualified LG issuing bank is designated or changed, the Exchange shall notify FX Broker Trading Members of the designation or change thereof.

Article 19. Measures to be Taken When Acceptance of Letter of Guarantee Agreement Is Deemed Inappropriate

19.1 If a qualified LG issuing bank no longer satisfies the requirements set forth in each Item of Article 18.1 above, the Exchange shall promptly take the following measures and revoke the designation of the qualified LG issuing bank:

- (1) Suspension of acceptance of a new Letter of Guarantee Agreement from the qualified LG issuing bank
- (2) Decrease the valuation haircut for the Letter of Guarantee Agreement already placed by the qualified LG issuing bank to zero

19.2 Even if a qualified LG issuing bank does not fall under Article 19.1 above, if the credit rating granted to the qualified LG issuing bank is lowered, the Exchange may take measures deemed appropriate by the Exchange including the decrease of the valuation haircut.

Article 20. Requirement for Letter of Guarantee Agreement

A Letter of Guarantee Agreement shall satisfy all the requirements set forth below:

- (1) It provides that the qualified LG issuing bank shall bear the guarantee obligation to the Exchange for the obligations to be performed by the FX Broker Trading Member to the Exchange under FX Clearing Futures contracts.
- (2) It provides that, if the Exchange demands the qualified LG issuing Bank perform the obligations, the qualified LG issuing bank shall perform the obligations within twenty-four (24) hours in principle.
- (3) It provides that, during the effective term of the Letter of Guarantee Agreement, the qualified LG issuing bank may not amend the contents of the Letter of Guarantee Agreement without agreement with the Exchange.

- (4) It provides that, if the qualified LG issuing bank intends to terminate the Letter of Guarantee Agreement, it shall notify the Exchange in writing at least 5 bank business days prior to the scheduled termination date thereof.
- (5) In addition to the above, it satisfies the requirements set forth in Article 68, paragraph (1), item (iii) of the Exchange COO.

Article 21 Treatment at Expiration of Letter of Guarantee Agreement

21.1 If an FX Broker Trading Member who makes a deposit by the LG intends to continue to make a deposit by the LG under a new Letter of Guarantee Agreement with the same maximum guarantee amount under the current Letter of Guarantee Agreement (hereinafter called the “Current LG Agreement”) after the date of expiration (including an expiration by cancellation; the same interpretation shall apply hereinbelow) of the Current LG Agreement for the LG, the FX Broker Trading Member shall place the new Letter of Guarantee Agreement with the Exchange at least five (5) bank business days prior to the expiration date of the Current LG Agreement.

21-2 If the status of the Letter of Guarantee Agreement placed with the Exchange falls under any of the following Items, the Exchange may deem the amount set forth in each Item as the deposited LG Margin amount on a trading day after the due date of placement thereof:

- (1) If a new Letter of Guarantee is not placed by the due date of placement thereof: zero
- (2) If the maximum guarantee amount under the new Letter of Guarantee Agreement placed by the due date of placement thereof falls below the maximum guarantee amount under the Current LG Agreement: the maximum guarantee amount under the new Letter of Guarantee Agreement multiplied by the valuation haircut

CHAPTER V.

MISCELLANEOUS PROVISIONS

Article 22 Change in Settlement Method, etc.

If the Exchange determines the conditions for postponement of the settlement dates or the clearing terms and conditions for FX Clearing Futures contracts in accordance with Article 99 or 100 of the Clearing Regulations, the Exchange may change the deadline (time and date) for depositing of FX Clearing Exchange Margin under Article 6 hereof and take necessary measures incidental to such change.

Article 23. Management of FX Clearing Exchange Margin

23.1 When the Exchange accepts deposit of FX Clearing Exchange Margin in cash or Deposit of LG, the Exchange shall manage the same in the manners prescribed by applicable laws and ordinances.

23.2 With respect to an FX Clearing Exchange Margin deposited by any FX Clearing Futures Trading Member, no interest or other consideration shall be payable by the Exchange.

SUPPLEMENTARY PROVISIONS

These Regulations shall take effect as from April 12, 2021.