**Attachment 2**

**Measures against Rule Violations of Dalian Commodity Exchange**

**(Amendment)**

**Chapter I General Provisions**

1. The Measures against Rule Violations of Dalian Commodity Exchange (the "**Measures**") are formulated in accordance with the *Bylaws of Dalian Commodity Exchange* (the "**Bylaws**") and the *Trading Rules of Dalian Commodity Exchange* (the "**Trading Rules**") for the purposes of enhancing the administrative management of futures market, regulating futures trading activities, and protecting lawful rights and interests of futures market participants.

**Article 2** A rule violation herein means the breach of the Bylaws, business Trading Rrules or any other applicable provisions of Dalian Commodity Exchange (the "**Exchange**"), which conducted by a Member, Overseas Special Participant (the "**OSP**"), an Overseas Intermediary, a market maker, a client, a designated delivery warehouse, a designated depository bank, a designated quality inspection agency, an information service provider or other the futures market participants and their staff.

The futures market participants referred to in the preceding paragraph shall include:

1. the Members;
2. the Overseas Special Participants (the "**OSPs**");
3. the Overseas Intermediaries;
4. the market makers;
5. the clients;
6. the designated delivery warehouses, designated vehicle board delivery sites and other delivery service providers;
7. the designated depository banks;
8. the designated quality inspection agencies;
9. the information technology service providers; and
10. other futures market participants as recognized by the Exchange.

**Article 3** The Exchange shall investigate, identify and handle punish rule violations based on facts and the principles of fairness and integrity.

Any rule violation that constitutes a criminal offense shall be turned over by the Exchange to a judicial authority for criminal prosecution in accordance with applicable laws.

**Article 4** In case a Member, an OSP, an Overseas Intermediary, a market maker, a client, a designated delivery warehouse, or a futures market participant has been punished by the administrative or judicial authorities China Securities Regulatory Commission ("**CSRC**") in respect of a certain rule violation, the Exchange may impose a lighter or mitigated punishment or exempt or mitigate the punishment in respect thereof when it determines the punishment.

**Article 5** The Measures shall apply to related business activities in futures trading on the Exchange.

**Chapter II Inspection**

**Article 6** The inspection means the supervision and examination and investigation conducted by the Exchange pursuant to the business rules and other relevant regulations any of the Exchange's rules and regulations for the business activities of a Member, an OSP, an Overseas Intermediary, a market maker, a client, a designated delivery warehouse, or other the futures market participants.

The inspection may be conducted on-site or off-site. shall include the routine examination and the filed investigation. The inspection methods include regulatory talk, document-based investigations, on-site examination and others.

**Article 7** The Exchange may conduct routine examination periodically or from time to time in accordance with its rules and regulations, over the business activities of its Members, OSPs, Overseas Intermediaries, clients, designated delivery warehouses, designated depository banks, designated quality inspection agencies, information service providers or other futures market participants.

**Article 87** The Exchange may exercise the following powers when it conducts the inspection performs its regulatory duties:

1. accessing and copying the information, documents and materials related to the futures trading;
2. requiring the Members, OSPs, Overseas Intermediaries, clients, designated delivery warehouses, designated depository banks, designated quality inspection agencies or other futures market participants to provide the annual reports and the third-party audit reports, etc.; requiring the OSPs, Overseas Intermediaries or the overseas clients to provide the regulatory reports issued by the overseas regulatory authorities;
3. conducting investigation, evidences collection and regulatory talk with, the Members, OSPs, Overseas Intermediaries, market makers, clients, designated delivery warehouses, designated depository banks, designated quality inspection agencies or other futures market participants;
4. requiring the futures market participants Members, OSPs, Overseas Intermediaries, market makers, clients, designated delivery warehouses, designated depository banks, designated quality inspection agencies and any other institutions under investigation to report, represent, explain or clarify the relevant situation;
5. inquiring into the Members' futures margin accounts, as well as the bank accounts of the futures market participants Members, OSPs, Overseas Intermediaries and clients related to their futures business;
6. accessing and examining the technical systems of trading, clearing, finance or otherwise of the futures market participants Members, OSPs, Overseas Intermediaries and clients related to their futures business;
7. stopping, correcting and dealing with any rule violation;
8. any other powers regulated by laws, regulations, rules, Bylaws and business rules of the Exchange as necessary to fulfill the regulatory duties performed by the Exchange.

**Article 98** The Members, OSPs, Overseas Intermediaries, market makers, clients, designated delivery warehouses, designated depository banks, designated quality inspection agencies and other futures market participants shall consciously accept the supervision and management of examination conducted by the Exchange, and cooperate with the inspection of the Exchange to perform its supervision and management duties.

**Article 9** The Exchange may conduct the examination periodically or from time to time in accordance with the business rules and other relevant regulations, over the business activities of the futures market participants.

**Article 10** The Exchange shall establish a telephone hot line for complaints and whistleblowing mechanism. Complainants or whistleblowers shall indicate their true and clear identity, and the Exchange shall keep the identity confidential if the complainant or whistleblower is reluctant to disclose his or her identity.

**Article 11** In case the Exchange suspects that any irregularity is involved which shall be subject to disciplinary sanctions the existence of a rule violation after reviewing the evidence discovered from its daily supervision and management routine examination, provided by complainants or whistleblowers, referred by futures regulatory departments andor judicial authority authorities, or obtained from other sources, the Exchange shall file a case for investigation.

If the circumstance is obviously minor and has not caused any adverse impact on the futures market, the Exchange may take the self-regulatory management measures against the party concerned, such as adding to the key supervision list, giving a verbal warning, issuing a written warning letter, regulatory talks, and requiring the submission of a written commitment, etc.

**Article 12** The Exchange shall authorize dedicated staffs to take charge of the investigation of suspected rule violation that have been placed on file. At least two (2) investigators shall participate in the investigation and evidence gathering activities. The investigators shall present their own working identities or other supporting documents issued by the Exchange to prove their authorization.

**Article 13** An investigator shall apply for recusal from the case if such person believes that he or she has a conflicting interest in the case concerned or other circumstances that may prejudice the fairness and impartiality of the investigation.

If a person under investigation believes that the investigator has a conflict of interest in the cases concerned or other circumstances that may prejudice the fairness and impartiality of the investigation, the person shall have the right to request the investigator to recuse from the investigation.

The Exchange shall order the investigator to recuse himself or herself from the investigation when it deems necessary.

The recusal of an investigator shall be determined by the head of the Exchange's supervision department. The recusal of the head of the Exchange's supervision department shall be determined by the Exchange's Chief Executive Officer ("**CEO**").

**Article 14** The evidence shall include all the materials that can prove the true facts of the case, which include the documentary evidences, physical evidences, statements of parties concerned, testimonies of witnesses, investigation transcripts, appraisal opinions verdicts, audio-visual materials, electronic data records, etc.

No evidence shall be used as the basis of the verdict unless the veracity of the evidence is confirmed.

**Article 15** Investigation transcripts shall be made when the investigator inquire the person(s) under investigation. The investigation transcripts shall be confirmed by the person(s) under investigation, and then signed by the investigator(s) and the person(s) under investigation. In case the person(s) under investigation refuses to sign, the investigator(s) shall specify the reasons.

Each time an investigator collects a piece of documentary evidences, and/or physical evidences, audio-visual materials and electronic data, etc., a note shall be made stating the time and the venue that the evidence was collected. Such note shall be signed or sealed by the provider(s) for confirmation person(s) under investigation. If the person(s) under investigation refuses to or is unable to sign, the investigator(s) shall specify the reasons and have the witness(es) to sign on the note.

In case the audio-visual materials and electronic records are collected or produced, a note shall be made specifying when, where and how they were gathered or produced and by which means they were produced and stored. Such note shall be signed by the person(s) under investigation or the witness(es).

The appraisal opinions shall verdicts must be made by a competent appraisal institution which is recognized by the China Securities Regulatory Commission ("**CSRC**") or the Exchange, and shall be sealed and signed by the appraisal institution thereof and the appraiser respectively.

**Article 16** The investigator shall strictly comply with the confidentiality policy and shall not abuse their powers during the routine examination and filed investigation.

The futures market participants shall strictly perform abide by the obligation of confidentiality in the process of routine examination or filed investigation by the Exchange. The Exchange shall take disciplinary actions against any violation of the provisions in the preceding paragraph depending on different circumstances.

**Article 17** In case a Member, an OSP, an Overseas Intermediary, a market maker, a client, a designated delivery warehouse, a designated depository bank, an information service provider or other the futures market participants are suspected of violating laws and regulations committing material violation and are under the investigation filed by the Exchange, the Exchange may, before making the handling decision such suspected violation is confirmed, take the following restrictive actions against them for the purposes of preventing the further expansion of the violation results and ensuring the enforcement of the decision of dealing with the violation case:

(1) requesting explanation within a limited period;

(21) suspending the opening of new trading client codes;

(32) restricting the withdrawal of funds;

(3) restricting the deposits in funds;

(4) restricting the delivery business of the designated delivery warehouses or the designated vehicle board delivery sites or other delivery service providers, depository business of the designated depository banks or the information technology service business of the information technology service providers;

(5) reducing the position limit, hedging position limits, arbitrage position limits or the limits of standard warehouse receipt;

(6) increasing the margin percentage restricting the opening of positions;

(7) suspending the opening positions for trading; increasing the margin standard;

(8) ordering close-out within designated time limit; and

(9) implementing forced liquidation.

The Exchange shall, after taking actions to be taken under items (75) to (9), report to CSRC in a timely manner shall be decided by the Board of Governors of the Exchange.

In case of taking restrictive actions, the Exchange shall notify the parties concerned in writing, recorded telephone or other recordable methods and specify the basis for taking such restrictive actions.

**Chapter III Handling of Violation**

**Article 18** For multiple rule violations conducted by the same party at one time, each rule violation shall be confirmed and sanctioned separately. For a recidivist, a heavier or aggravating aggravated punishment penalty shall be imposed.

Where a unit conducts any of the rule violations stipulated in the Measures, the Exchange may deal with the directly responsible persons in charge and other directly responsible persons in accordance with the relevant provisions.

**Article 19** A Futures Company Member who commits any of the following acts in violation of the brokerage business qualification management rules shall be ordered to make rectification, indemnify any losses incurred thereby, and be subject to confiscation of any gains arising from the violation. Such punishments shall be imposed on the basis of the seriousness of the circumstance as warning, reprimand, public censure, forced liquidation, suspension from opening positions for one to six months or revocation of membership. In addition, a fine of CNY fifty thousand (50,000) to CNY two hundred and fifty thousand (250,000) may be imposed if there are no proceeds from the violation or the proceeds from the violation is less than CNY fifty thousand (50,000); where the proceeds from the violation are greater than CNY fifty thousand (50,000), a fine of one time to five times the amount of the proceeds may be imposed:

* 1. obtaining a futures brokerage business qualification by fraud;
	2. establishing a branch or affiliate to engage in the futures brokerage business without the approval from a competent authority;
	3. recruiting an employee to conduct the futures brokerage business who has not obtained the futures practitioner qualification or fails to pass the Exchange's training; or
	4. any other violation against the regulations and rules relating to the futures brokerage business qualification prescribed by CSRC and the Exchange.

**Article 2019**A Futures Company Member who commits any of the following acts in violation of the brokerage business management rules shall be ordered to make rectification, indemnify any losses incurred thereby, and be subject to confiscation of any gains arising from the violation. The Exchange may impose the following disciplinary sanctions depending on the severity of the violation, such as Where the violation is minor, the futures company member shall be subject to warning, reprimand, or public censure, and a fine of CNY ten thousands (10,000) to CNY one hundred thousand (100,000) may be imposed additionally; in case of a serious violation, the futures company member shall be subject to forced position liquidation, suspension from opening new positions for less than 12 months one to six months, suspension of part of its futures or options business, revocation of membershipand/or , being declared as "prohibited market accessor". In addition, a fine of less than CNY one hundred thousand (100,000) to CNY five hundred thousand (500,000) may be imposed if there are no proceeds from the violation or the proceeds from the violation is less than CNY one hundred thousand (100,000); where the proceeds from the violation are no less greater than CNY one hundred thousand (100,000), a fine of one time to five times the amount of the proceeds may be imposed:

* 1. conducting futures trading for a client who fails to fulfill the account opening procedures or fails to meet the specified requirements for the account opening procedures as prescribed;
	2. violating the trading code management rules;
	3. opening an account for an ineligible client without performing its statutory duty of examination and verification;
	4. failing to perform the obligations of trader suitability management as prescribed, and violating the trader suitability rules;
	5. failing to explain the risk of futures trading to a client truthfully or failing to have the client to sign the risk disclosure statement;
	6. guaranteeing profits to the clients or entering into a private agreement with a client to share profits or losses;
	7. conducting trading for the Member itself or any third party without complying with relevant provisions by using the Client's account;
	8. failing to trade as instructed by the client, or intentionally curbing, delaying or changing the execution of the client's order, or inducing or forcing a client to conduct the trade according to broker's own will;
	9. conducting OTC trading failing to send the clients’ orders to the Exchange or private hedging and matching or netting clients’ orders off the Exchange;
	10. failing to segregate the clients' funds from the Member's own funds;
	11. delaying the client's withdrawal or deposit of funds without justified reason;
	12. permitting a client without sufficient margin or premium to opening positions for trading, or accepting a client's exercise application when the option buyer's client has insufficient funds;
	13. misappropriating or allowing others to misappropriate the clients' funds or misusing funds from different client accounts;
	14. intentionally fabricating or spreading false or misleading information to misguide others;
	15. disclosing the matters entrusted by the client or other trading secrets;

(16) the floor representative of the Futures Company Member taking trading orders from individuals or organizations other than the company he represents;

(167) failing to provide the clients with the relevant transaction results or fund settlement statement as prescribed by relevant rules; or

(178) any other acts in violation of the relevant regulations and rules related to brokerage business prescribed by CSRC or the Exchange.

The Exchange may impose against the liable person the punishment of reprimand, public censure, suspension of his/her futures business for a period no more than one month, or in case of a serious violation, suspension of his/her futures business for a period of one to six months or revocation of his/her qualification for conducting futures business.

**Article 201** An Overseas Special Brokerage Participant (the "**OSBP**") who commits any of the following acts in violation of the brokerage business regulations management rules shall be required to make rectifications, indemnify any losses incurred thereby, and be subject to confiscation of any gains arising from the violation. The Exchange may impose the following disciplinary sanctions dDepending on the severity of the violation, such as it shall be subject to warning, reprimand, public censure, forced position liquidation, suspension of part of its futures business, suspension from opening new positions for less than twelve (12) one (1) to six (6) months, suspension of part of its futures or options business, revocation of membership, and/orbeing declared as "prohibited market accessor". In addition, a fine of less than CNY five hundred thousand (500,000) CNY ten thousand (10,000) to CNY one hundred thousand (100,000) may be imposed if there are no proceeds from the violation or the proceeds from the violation is less than CNY one hundred thousand (100,000); where the proceeds from the violation are greater than CNY one hundred thousand (100,000), a fine of one (1) time to five (5) times the amount of the proceeds may be imposed. Depending on the severity of the violation, the Exchange may impose against the directly liable person the punishment of reprimand, public censure, suspension of his/her futures business for no more than six (6) months, or revocation of his/her qualification for conducting futures business:

(1) conducting futures trading for a client who fails to fulfill the account opening procedures or fails to meet the specified requirements for the account opening procedures;

(2) violating the trading code regulations;

(3) opening an account for an ineligible client without performing its duty of examination and verification;

(4) failing to perform the obligations of trader suitability management as prescribed;

(54) having not truthfully explained to a client the risk of futures trading or having not had a client sign the risk disclosure statement;

(65) using the client's account to conducting tradinge for the OSBP itself or any third party without complying with relevant provisions;

(76) failing to trade as instructed by the client, or intentionally curbing, delaying or changing the execution of the client's order, or inducing or forcing a client to trade according to OSBP’s own will;

(87) failing to send the client's clients’ trading orders to the Exchange for matching and matching or netting clients’ orders off the Exchange;

(98) failing to segregate the clients' funds from the OSBP’s own funds;

(109) intentionally fabricating or spreading false or misleading information to misguide others;

(110) disclosing the matters entrusted by the client or other confidential information in relation to trading;

(121) failing to provide the clients with the statement of transaction results returns or fund settlement according to the relevant rules; or

(12) violating other provisions of the trader suitability rules; or

(13) any other acts in violation of the regulations and rules on the related to brokerage business prescribed by CSRC and the Exchange.

**Article 221** A Member or OSP, who commits any of the following acts shall be ordered to make rectification, and the Exchange may impose the following disciplinary sanctions depending on the severity of the violation, such as or be subject to warning, reprimand, public censure, suspension of part of its futures business, or suspension of opening positions for trading for less than twelve one to six months, suspension of part of its futures or options business, or in case of a serious violation, revocation of corresponding qualification:

1. failing to perform the reporting obligations as required by the Exchange;
2. failing to submit the financial statements and other relevant materials to the Exchange within the required period;
3. failing to perform the reporting obligations in accordance with the large trader position report rules, or submitting the report with falsifying information or concealing the information intentionally;
4. failing to assist the Exchange in implementing restrictive actions, disciplinary sanctions or any other measures of self-regulatory management against any of its clients which commits, or is suspected to commit, a violation;
5. failing to timely pay the annual membership fees or other related fees required by the Exchange;
6. failing to maintain and preserve the records of trading, clearing, delivery, financial or accounting data as prescribed;
7. forging, altering tampering with, or purchasing/selling varied certificates or approval documents;

(8) a Non-Futures Company Member engaging in brokerage business, or a Futures Company Member engaging in proprietary trading business; or

(8) privately transferring or disposing of the qualification or trading seat of a Member or OSP;

1. committing such illegal activities as money laundering and malicious currency swap under the name of via futures trading; or

(10) failing to fulfill the obligations of client transaction terminal information collection and access authentication as prescribed;

(11) failing to fulfill the client management obligations as prescribed;

(1012)failing to fulfill the obligation of filing of the Overseas Intermediaries as prescribed.; or

(13) other actions violating the laws, regulations, rules of the State or the Bylaws or other applicable provisions of the Exchange.

**Article 23** The Exchange shall revoke the corresponding qualification if any of the following circumstances occurs to the Member or OSP:

1. having been revoked of its futures brokerage business license by CSRC or declared as "prohibited market accessor" by CSRC;
2. transferring its membership in private, or commissioning others to manage its trading seat(s) or outsourcing its trading seat(s) or OSP qualification to others;
3. having materially insufficient funds, staffs or equipment, or failing to effectively deal with the disordered management;
4. refusing implementation of the resolution made by the Members' Meeting or the Board of Governors Meeting;
5. failing to conduct trading for three (3) consecutive months without any due reason; or
6. having any other violation of the laws, regulations or rules of the State or material violation of the Bylaws or other applicable provisions of the Exchange.

**Article 242** Where a AMember or OSP which fails to implement forced liquidation without due reason within the prescribed period, the Exchange may impose the disciplinary sanctions depending on the severity of the violation such as shall be subject to punishment warning, reprimand, public censure, suspension of part of futures business, or suspension of opening positions for trading for a period no more than one less than twelve (12) months, suspension of part of futures or options business, and a fine of no more than CNY fifty five hundred thousand (500,000) may be imposed additionally.

**Article 253** A Member who commits any of the following acts in violation of the Exchange's clearing management rules shall be ordered to make rectification, and the Exchange may impose the disciplinary sanctions depending on the severity of the violation such as and may be imposed punishment a warning, ; and in case of a serious violation, the Member shall be subject to reprimand, public censure, suspension of part of futures business, or suspension of opening positions for trading for a period no more than one less than twelve (12) months, suspension of part of futures and options business, revocation of membership, and a fine of CNY ten thousand (10,000) to no more than CNY twofive hundred thousand (2500,000) may be imposed additionally.:

1. failing to pay sufficient margin in time;
2. providing inaccurate and incomplete records in the daily clearing report, monthly trading statement or other clearing documents;
3. failing to manage the clients' margins in segregated accounts as prescribed;
4. failing to conduct daily clearing for a client as prescribed;
5. forging or fabricating the trading records, financial statements or accounting books;
6. issuing false invoices or other falsified bills or instruments; or
7. any other violation against the Exchange's clearing management provisions.

**Article 264** In case any of the following circumstances occurs to an Overseas Intermediary, it shall be ordered to make rectification and the Exchange may impose disciplinary sanctions depending on the severity of the violation such as warning, reprimand, public censure, cancelling the filing of the Overseas Intermediary take one or more of such regulatory actions as requiring reporting the situation, conversation alert, issuing warning letter, ordering to make rectification and cancelling the filing of the Overseas Intermediary. In case the Overseas Intermediary fails to rectify within the prescribed time limit and its act may endanger the stable operation of the futures market or harm the client's lawful rights or interests, the Futures Company Member or OSBP may be required to suspend or terminate the entrustment business with such Overseas Intermediary:

* 1. refusing to cooperate with the Exchange to conduct investigation against the rule violation of a client;

(2) being suspected of violating any laws or regulations or having any significant risks; or

(32) failing to fulfill the obligations of the trader violating the suitability management as prescribed rules; or

(43) violating other provisions of the Exchange with respect to the Overseas Intermediaries.

In case the Overseas Intermediary is involved in any of the foregoing circumstances and fails to rectify within the prescribed time limit, or is suspected of violating laws and regulations or encounter significant risks, which may endanger the stable operation of the futures market or harm the client's lawful rights or interests, the Exchange may require the Futures Company Member or OSBP to suspend or terminate the entrustment business with such Overseas Intermediary.

An Overseas Intermediary of which the entrustment agency business with the Futures Company Member or OSBP has been suspended or terminated shall not act on behalf of any new client or open any new position. If a client requests transfer of its position to another broker, such Overseas Intermediary shall cooperate to complete such transfer.

**Article 27** In case any of the following acts in violation of the Exchange's rules on management of accounts involving actual control relationship occurs to a Non-Futures Company Member, an Overseas Special Non-Brokerage Participant or client, and in case of a serious violation, the Non-Futures Company Member or the client shall be subject to warning, reprimand, and/or suspension of opening positions for trading for no more than three (3) months, and a fine of an amount between CNY ten thousand (10,000) and CNY two hundred thousand (200,000) may be imposed additionally:

1. having an actual control situation but failing to honestly report the information related thereto;
2. failing to honestly reply to the Exchange's inquiry, concealing the fact or truth or deliberately evading the reply thereof; or
3. any other conduct deemed by the Exchange to be failing to assist reporting or investigation.

**Article 28** In case a Futures Company Member or OSBP conducts any of the following acts in violation of the Exchange's rules on management of accounts involving actual control relationship, and in case of a serious violation, the Member or OSBP shall be subject to warning and/or reprimand, as the case may be, and a fine of an amount between CNY ten thousand (10,000) and CNY two hundred thousand (200,000) may be imposed additionally:

1. failing to timely, accurately or completely inform the clients of the Exchange's rules regarding the accounts involving actual control relationship;
2. failing to timely, accurately or completely complete the entry or update of the information related to the accounts involving actual control relationship;
3. indulging, inducing, encouraging or assisting the clients to make false reporting or conceal the fact or truth;
4. failing to properly preserve the materials related to the clients' accounts involving actual control relationship;
5. failing to assist, as required by the Exchange, to inquire the information related to the clients' accounts involving actual control relationship, or committing any deliberate delay, concealment or omission; or
6. any other rule violation as identified by the Exchange.

**Article 295** For any of tThe Members, OSPs, Overseas Intermediaries or clients that provides or assists to provide false documents during the hedging or arbitrage declaration, or and violates other rules of the Exchange on hedging ormanagement and arbitrage trading shall be ordered to make rectification and be subject to confiscation of any gains arising from the violation, and the Exchange may impose disciplinary sanctions shall prohibit it from applying for hedging or arbitrage position quota, and may impose at its discretion a fine of no more than five percent (5%) of the notional value of the false hedging position or arbitrage trading position it holds. In addition, depending on the severity of the violation such as, such party shall be subject to warning, reprimand, public censure, suspending acceptance of applications for hedging or arbitrage business, adjusting or canceling the hedging or arbitrage position limit, suspension of opening positions for trading for a period less than twelve (12) months, suspension of part of its futures or options business, forced position liquidation, confiscation of the illegal gains, cancellation of its corresponding qualification or, being declared as "prohibited market accessor", and a fine of less than 5% of the total value of the hedging positions or arbitrage positions that are approved may be imposed additionally.

**Article 30** For any of the Members, OSPs, Overseas Intermediaries, clients or any other futures market participants who commits an intentional default in physical delivery, affects or attempts to affect the normal conducting of the physical delivery or obtains illegal profits during physical delivery process, shall be subject to warning, reprimand, public censure, or suspension of opening positions for trading for a period of one to six months. If there are proceeds from the violation, then such proceeds shall be confiscated, and a fine of ten to thirty percent (10%-30%) of the contract value of the default portions may be imposed additionally.

**Article 3126** For aAny of the futures market participants such as the Non-Futures Company Members, Overseas Special non-Brokerage Participants (the "**OSNBPs**"), Overseas Intermediaries, market makers or clients who commits any of the following activities in violation of the Exchange's position management rules shall be subject to rectification and confiscation of any gains arising from the violation. The Exchange may impose disciplinary sanctions depending on the severity of the violation such as warning, reprimand, public censure, forced liquidation, suspension of part of futures business, or suspension of opening positions for trading for a period of less than twelve months, no more than one month, suspension of part of futures or options business, cancellation of corresponding qualification, and a fine of less than 5% of the total value of illegal positions CNY ten thousand (10,000) to CNY two hundred thousand (200,000) may be imposed additionally.:

1. evading the Exchange’s position limits by splitting between accounts or other improper means;
2. holding over-limit positions and being subject to the forced position liquidation executed by the Exchange, except for those that cannot be closed-out in a timely manner due to price limit restriction or other market conditions;
3. holding over-limit positions for multiple times in the approaching delivery month or delivery month; or
4. other acts in violation of the position management regulations of the Exchange.

Where a Futures Company Member, an OSBP or an Overseas Intermediary fails to convey the position management regulations of the Exchange to the clients in a timely, accurate and complete manner, the Exchange may impose corresponding disciplinary sanctions by reference to the provisions of the preceding paragraph.

**Article 27** The futures market participant such as a non-Futures Company Member, an OSNBP, a market maker or a client that uses improper means to circumvent the Exchange's trading volume limit system and trades exceeding the limit shall be ordered to make rectification and be subject to confiscation of any gains arising from the violation. The Exchange may impose disciplinary sanctions depending on the severity of the violation such as warning, reprimand, public censure, forced liquidation, suspension of opening positions for trading for a period less than twelve months, suspension of part of futures or options business, cancellation of corresponding qualification, and a fine of less than CNY five hundred thousand (500,000) may be imposed additionally.

**Article 28** The futures market participant such as a Non-Futures Company Member, an OSNBP or a client that conducts any of the following acts in violation of the Exchange's rules on management of accounts involving actual control relationship shall be ordered to make rectification. The Exchange may impose disciplinary sanctions depending on the severity of the violation such as warning, reprimand, public censure, suspension of opening positions for trading for less than twelve months, suspension of part of futures or options business, cancellation of corresponding qualification, and a fine of less than CNY five hundred thousand (500,000) may be imposed additionally:

1. having an actual control relationship but refusing to report honestly;
2. refusing to reply without justifiable reasons or failing to honestly reply to the Exchange's inquiry or investigation, concealing the fact or truth or deliberately evading the reply thereof;
3. providing false materials to apply for release of the actual control relationship; or
4. other actions in violation of the Exchange's rules on management of accounts involving actual control relationship.

Where a Member, an OSBP or an Overseas Intermediary fails to perform the management duties on the clients' accounts involving actual control relationship, inducing or assisting the clients to provide false materials or conceal the fact or truth, the Exchange may impose corresponding disciplinary sanctions by reference to the provisions of the preceding paragraph.

**Article 3229** For any futures market participant Member or OSP who commits any of following acts in violation of the Exchange's management rules for information management, system management or facility management such as trading and computer communications or other equipment facility t shall be ordered to make rectification and indemnify any loss incurred thereby. The Exchange may impose disciplinary sanctions depending on the severity of the violation such as In case the violation is minor, the Member or OSP shall be subject to warning, reprimand, public censure, or suspension of opening positions for trading for a period of less than twelve months, no more than one (1) month, and a fine of CNY ten thousand (10,000) to fifty thousand (50,000) may be imposed additionally; or in case of a serious violation, the Member or OSP shall be subject to suspension of opening positions for trading for a period of one (1) to six (6) months, suspension of part of futures or options business ,or revocation of its corresponding qualification, and a fine of less than CNY five fifty thousand (50,000) to CNY two hundred thousand (5200,000) may be imposed additionally:

1. disclosing the Exchange's information without the Exchange's authorization;
2. using the trading computer or other communication facilities equipment at another Member's trading seat without permission;
3. using its trading seats to steal the data concerning transactions, and funds settlement, warehouse receipt information and other business secrets of others Members illegally, or to damage the trading system;

(4) destroying or failing to use the management systems of trading, clearing, delivery and standard warehouse receipt of the Exchange as required, which disturbs the normal operation of the systems;

(5) violating the Exchange's information system access management rules; or

(6) other acts in violation of the Exchange's rules on the information management, system management or facility management such as the trading communication facility.

The Exchange may impose against the liable person the punishment of suspending his/her engagement in futures business for a period no more than one month, or in case of a serious violation, suspending his/her futures business for a period of one (1) to six (6) months or revoking his/her qualification for conducting the futures business.

**Article 330** For aAny of the Members, OSPs, Overseas Intermediaries or clients who commits the violation of the Exchange's rules when participating engaging in the standard warehouse receipt trading business, it shall be ordered to make rectification, and the Exchange may impose disciplinary sanctions depending on the severity of the violation such as shall impose warning, reprimand, public censure, a fine of CNY ten thousand (10,000) to CNY one hundred thousand (100,000), suspension of the its engagement in standard warehouse receipt business trading, or cancellation of its corresponding qualification, and a fine of less than CNY five hundred thousand (500,000) may be imposed additionally.

**Article 34** In case any of the following acts conducted by the futures market participant, it shall be ordered to make rectification, indemnify any losses incurred thereby and shall be subject to confiscation of any gains arising from the violation; or in case the violation is minor, the futures market participant will be subject to warning, forced liquidation, or suspension of opening for trading for no more than one (1) month. In addition, a fine of CNY fifty thousand (50,000) to CNY two hundred thousand (200,000) may be imposed if there are no proceeds from the violation or the proceeds from the violation is less than CNY fifty thousand (50,000); where the proceeds from the violation are greater than CNY fifty thousand (50,000), a fine of one time to three times the amount of the proceeds may be imposed. In case the violation is serious, the futures market participant will be subject to reprimand, public censure, forced liquidation, suspension of part of futures business, suspension of opening for trading for one (1) to six (6) months, cancellation of its corresponding qualification or being declared as "prohibited market accessor". In addition, a fine of CNY one hundred thousand (100,000) to CNY one million (1,000,000) may be imposed if there are no proceeds from the violation or the proceeds from the violation is less than CNY one hundred thousand (100,000); where the proceeds from the violation are greater than CNY one hundred thousand (100,000), a fine of three time to five times the amount of the proceeds may be imposed:

1. providing any false account-opening materials or trading with multiple trading codes;
2. stealing a trading password from any other person to conduct the futures trading;
3. publishing or disseminating the Exchange's information without the Exchange's permission;
4. stealing the business secret of any other futures market participants illegally such as the information of transaction, clearing funds and the warehouse receipts, or damaging the trading clearing system, standard warehouse receipt management system or any other system;
5. failing to comply with the applicable provisions under the risk warning rules or the rectification requirements of the Exchange;
6. failing to use the Exchange's standard warehouse receipt management system in accordance with the applicable requirements, which affecting the normal operation of the system;
7. any other act that is in violation of the rules of the Exchange related to trading management, information management or computer communication or other equipment management; or
8. failing to properly manage the trading code in accordance with the Exchange's provisions, resulting that the trading code is abused by any other person to conduct any violation.

**Article 31** Any of the futures market participants who commits the following acts in violation of the Exchange's trading code management rules shall be ordered to make rectification and be subject to confiscation of any gains arising from the violation. The Exchange may impose disciplinary sanctions depending on the severity of the violation such as warning, reprimand, public censure, forced liquidation, suspension of opening positions for trading for a period of less than twelve months, suspension of part of futures or options business or cancellation of corresponding qualification, and a fine of less than CNY five hundred thousand (500,000) may be imposed additionally:

1. opening account by providing or assisting to provide the false account-opening materials;
2. market makers leasing out or lending their market-making trading codes to others or entitling others to use their market-making trading codes to make markets, or using their market-making trading codes to conduct trading irrelevant to market making;
3. using others' market-making trading codes to make markets for others;
4. stealing, defrauding or borrowing others' trading codes to implement the rule violations;
5. lending or failing to properly keep the trading codes, leading to the trading codes being used by others to conduct the rule violations;
6. other acts in violation of the Exchange's rules on the trading codes management.

**Article 352** Any of the futures market participant who commits any of the following acts in violation of the trading management rules shall be ordered to make rectification, indemnify any losses incurred thereby and shall and be subject to confiscation of any gains arising from the violation. The Exchange may impose disciplinary sanctions depending on the severity of the violation such as Where the violation is minor, the futures market participant will be subject to warning, forced liquidation, suspension of opening positions for trading for a period no more than one (1) month. In addition, a fine of CNY fifty thousand (50,000) to CNY two hundred thousand (200,000) may be imposed if there are no proceeds from the violation or the proceeds from the violation is less than CNY fifty thousand (50,000); where the proceeds from the violation are greater than CNY fifty thousand (50,000), a fine of one time to three times the amount of the proceeds may be imposed. In case of a serious violation, the futures market participant will be subject to reprimand, public censure, forced liquidation, suspension of part of futures business, suspension of opening positions for trading for a period of less than twelve months one to six months, suspension of part of futures or options business, cancellation of its corresponding qualification, or being declared as "prohibited market accessor". In addition, a fine of less than CNY fiveone hundred thousand (5100,000) to CNY one million (1,000,000) may be imposed if there are no proceeds from the violation or the proceeds from the violation is less than CNY one hundred thousand (100,000); where the proceeds from the violation are no less greater than CNY one hundred thousand (100,000), a fine of one three time to five times the amount of the proceeds may be imposed:

1. using taking an advantage in capital, position or information, alone or in conspiracy, to continuously or jointly purchase or sell contracts in order to maliciously affects, or attempt to affect, the futures trading price or volume thereof;
2. using improper methods, alone or in conspiracy, of transferring or splitting positions between accounts, or conducting pre-arranged trade to evade the Exchange's position limits and hold over-limit positions, thereby affecting controlling or attempting to affect control the futures trading market prices, and therefore exerting a negative impact on or disturbing the market order;
3. using methods of transferring or splitting position between accounts, or conducting pre-arranged trade, self-trade to conducting transactions with each other at the time, price or method agreed or arranged in advance, thereby to affect or attempt to affect the futures trading market price or volume, or to transfer funds between accounts, to disturb the market order or to seek improper illegal profits;
4. bidding or offering with the intent to cancel the orders before execution, conducting the transaction which is opposite to the original direction of the order or other means to seek relevant interests or under the awareness that no trade can be concluded with the orders so-entered, thereby affecting or attempting to affect the futures trading price or volume, misleading other market participants, increasing the system load, or disturbing the market order or transferring funds between accounts;
5. conducting wash trades by buying and selling consecutively, self-trade, or deliberating collusion, trading in mutually-agreed manners or at pre-negotiated price with each other or for each other, for purpose of creating false market quotation making transactions between accounts within one's actual control, thereby affecting or attempting to affect futures trading market price or volume, transferring funds between accounts, disturbing the market order or seeking improper profits open interests;
6. an insider with the futures trading insider information or any person unlawfully obtaining the futures trading insider information, prior to the publication of information that has significant influence on the futures trading price, using the trading upon insider information to conduct futures trading or national secrets, or divulging insider information to others so that others may use the insider information to conduct influence futures trading;
7. monopolizing, taking measure such as stockpiling the underlying commoditiesproducts, falsely occupying the capacity of the designated delivery warehouses, or as well as concentrating open positions improperly, to controlling significant amounts of standard warehouse receipts of designated delivery warehouses, thereby affecting or attempting to affect or seriously affecting the futures market prices or physical deliveries;

(8) fabricating or spreading false information, misleading information, or uncertain significant information to affect the futures trading price or volume, and conducting relevant transactions or seeking improper benefits;

(9) making public evaluation, forecasting or investment advice on contracts or underlying commodities of contracts to affect the futures trading price or volume, and conducting the futures trading that is opposite to its evaluation, forecasting or investment advice or seeking improper benefits;

(8) for purpose of manipulating the market, directly or indirectly manipulating or disturbing trading orders, interfering with or damaging fair trading, and impairing the interests of the State and the public;

(10) placing trading orders by means of program trading, thereby affecting the security of the Exchange system or disturbs the normal trading order;

(911) conducting exchange of futures for physicals ("EFPs") without good will, thereby disturbing the affecting market order; or

(120) any other act that is in violation the applicable trading management rules of the CSRC and the Exchange, affecting or attempting to affect the futures trading price or volume, or disturbing the futures market order.

Any futures market participant that commits any of the above acts but proactively makes rectification without any adverse impacts upon the futures market order, may be mitigated or exempted from punishment.

Any market maker that violates the applicable provisions for the trading code management shall be subject to the corresponding disciplinary punishment as per the immediately preceding paragraph.

**Article 33** Any futures market participant that fabricates or spreads false information or misleading information to damage the reputation of the Exchange or disturb the order of the futures market shall be ordered to make rectification. The Exchange may impose disciplinary sanctions depending on the severity of the violation such as warning, reprimand, public censure, forced liquidation, suspension of opening positions for trading for less than twelve months, suspension of part of futures or options business, cancellation of corresponding qualification, being declared as "prohibited market accessor", and a fine of less than CNY five hundred thousand (500,000) may be imposed additionally.

**Article 34** In case any of the following acts conducted by the futures market participant, the Exchange may adjust the then-current day settlement price and the delivery settlement price:

1. conducting transactions between accounts under its actual control, which significantly affects the then-current day settlement price, the delivery settlement price or the options execution results; or
2. any other violation that results in abnormal fluctuation of the futures trading price or instant and significant deviation from the market price, which significantly affects the then-current day settlement price, the delivery settlement price or the options execution results.

**Article 35**  In case the Exchange discovers through filed investigation that any of the futures market participants is involved in any of the following illegal acts, the Exchange shall timely report to CSRC and request filing for inspection, and may take restrictive actions such as restricting the withdrawal of funds, suspending position opening for trading:

1. manipulating the market;
2. insider trading;
3. fabricating or spreading the false information; or
4. any other act that is suspected to be illegal.

**Article 36** In case aA floor trader that has committed any of the following acts shall be ordered to make rectification. The Exchange may impose disciplinary sanctions depending on the severity of the violation such as, the Exchange shall issue a warning, reprimand, public censure, to him/her. For a serious violation, the Exchange shall suspending his/her trading privilege in the trading hall for less than twelve up to one months, or revokinge his/her qualification of Floor Trader, and a fine of more than between CNY one thousand (1,000) and less than CNY ten thousand (10,000) may be imposed additionally:

1. violating the regulations of the Exchange related to the management of the trading hall;
2. failing to observe the operating procedures and damaging the trading system;
3. disassembling or moving equipment(s) in the trading hall without authorization, or installing a telephone line or other equipment without permission;
4. falsifying, deceiving and or using other improper means to obtain the qualification of floor trader;
5. forging, tampering with or borrowing floor trader certifications; or
6. accepting the entrustment order from any other unit or individual other than the unit itself and conducting trading.

In case the floor trader conducts the acts under items (2) or (3) in the preceding paragraph which cause damages, the Member which appoints such floor trader shall be responsible for compensation.

**Article 37** In case any of the following acts conducted by the futures market participant, the Exchange may adjust the then-current day settlement price and the delivery settlement price:

1. trading the futures contracts between its own account or accounts with actual control relationship, which significantly affects the delivery settlement price; or
2. any other violation that results in abnormal fluctuation of the futures trading price or instant and significant deviation from the market price, which significantly affects the delivery settlement price.

**Article 38** In case the Exchange discovers through filed investigation that any of the futures market participants commits any of the following acts, it shall timely report to CSRC and request filing for inspection, and may concurrently suspend position opening for trading or take other restrictive actions:

1. manipulating the market or committing any other illegal acts;
2. engaging in self-trade or pre-arranged trade, which severely affects the delivery settlement price, and such violation is serious;
3. stealing a trading password from any other person to conduct futures trading;
4. any other act that is suspected to have constituted a criminal offense.

**Article 379** Any of the clearing and delivery clerk who commits the following acts shall be ordered to make rectification. The Exchange may impose disciplinary sanctions depending on the severity of the violation such as subject to warning, reprimand, public censure, or in case of a serious violation, suspension of the qualification as a clearing and delivery clerk for a period of less than twelve no more than one (1) months, or revocation of the qualification, and a fine of more than CNY one thousand (1,000) to but less than CNY ten thousand (10,000) may be imposed additionally:

1. obtaining the clearing delivery clerk qualification through false, fraudulent andor other improper means; or
2. forging, tampering with or borrowing a clearing delivery clerk certificate.

The Member unit institution where the clearing and delivery clerk works shall bear the corresponding liabilities if it is found to be at fault.

**Article 3840** Any of the designated delivery warehouse which commits any of the following acts shall be subject to rectification and confiscation of any gains arising from the violation. The Exchange may impose disciplinary sanctions depending on the severity of the violation such as In case the violation is minor, the designated delivery warehouse shall be subject to warning, reprimand or public censure, and a fine of CNY ten thousand (10,000) to CNY one hundred thousand (100,000) may be imposed additionally. In case of a serious violation, the designated delivery warehouse shall be subject to suspension of delivery business, disqualification as a designated warehouse, or being declared as "prohibited market accessor". In addition, a fine of less than CNY one hundred thousand (100,000) to CNY five hundred thousand (500,000) may be imposed if there are no proceeds from the violation or the proceeds from the violation are less than CNY one hundred thousand (100,000); where the proceeds from the violation are greater than CNY one hundred thousand (100,000), a fine of one time to five times the amount of the proceeds may be imposed:

1. participating in futures trading in violation of the applicable rules of the State;
2. issuing falsified warehouse receipt;

(3) making any report, representation, explanation or statement that is false, misleading, or in which important facts are intentionally concealed or omitted;

(43) moving, handling, stealing and selling the stolen delivery commodities without authorization;

(54) divulging any futures warehousing information which should be kept confidential, or disseminating false information which may mislead the market participant;

(6) failing to report to the Exchange in a timely manner or disclose to the market pursuant to the requirements of the Exchange the risk events such as the changes of warehousing sites, seizures or detentions of the delivery commodities or warehousing facilities by the judicial authorities, or severe damage or loss of the delivery commodities;

(75) manipulatingaffecting or attempting to manipulateaffect the futures market prices jointly with others the futures market participants;

(86) failing to ensure the brand name, trademark, specification, or quality of the commodities listed in the standard warehouse receipt is consistent with the commodity represented by the warehouse receipt;

(97) delivering a commodity that is not consistent with the description on the receipt or any other certificate;

(109) absence or shortage of the required supporting documents for delivering the commodities;

(119) inconformity of the packaging, storage and other specifications to the Exchange's requirements;

(120)issuing a warehouse receipt without completion of the required inspections;

(13) failing to verify the information in the standard warehouse receipt management system, or failing to timely and effectively maintain the inventory or other data, thereby causing serious consequences;

(141) receiving or delivering wrong commodities;

(152) improper storage or preservation causing the commodity to deteriorate in quality or diminish in size;

(163) damaging the packing of commodities or commodities per se during the processes of transporting, loading and unloading or stocking, or other operations;

(174) overcharging unreasonable fees for delivering the commodities;

(185) intentionally interfering with the buyer or the seller so as to cause a buyer or seller to commit defaults;

(196) violating the delivery rules, restricting or intentionally deferring transportations of delivered commodities in or out of the warehouse;

(2017)refusing to cooperate with or impeding the Exchange to exercise its supervisory and inspection duties in accordance with laws and regulations;

(21) failing to provide the minimum guaranteed storage capacity in accordance with the agreement without any justified reason;

(2218)failing to timely deliver the goods, or refusing to cooperate with the designated quality inspection agency to make inspection, without justified reason; or

(19) any other act that is in violation of the applicable rules of CSRC and the Exchange related to the management of the designated delivery warehouses; or

(230) any other act in violation of CSRC or the Exchange's provisions.

The designated vehicle board delivery sites and other delivery service providers which have committed any of the violations listed in the previous paragraph shall be handled pursuant to provisions of the previous paragraph.

**Article 39** Any of the futures market participants which breaches the contract in the physical delivery or uses other improper means to disturb the normal order of physical delivery shall be ordered to make rectification. The Exchange may impose disciplinary sanctions depending on the severity of the violation such as warning, reprimand, public censure, suspension of opening positions for trading for less than twelve months, suspension of part of its futures or options business, and a fine of less than CNY five hundred thousand (500,000) may be imposed additionally.

**Article 401** In case any designated quality inspection agency conducts any of the following acts, it shall be subject to rectification and confiscation of any gains arising from the violation, and the Exchange may impose disciplinary sanctions depending on the severity of the violation, it shall be subject to such as warning, reprimand, public censure, suspension of the designated examination business, or cancellation of the its qualification of being the designated quality inspection agency, and a fine of no more than CNY five hundred thousand (500,000) may be imposed additionally. In addition, a fine of no more than CNY five hundred thousand (500,000) may be imposed if there are no proceeds from the violation or the proceeds from the violation is less than CNY one hundred thousand (100,000); where the proceeds from the violation are greater than CNY one hundred thousand (100,000), a fine of one time to five times the amount of the proceeds may be imposed:

1. conducting the measurement or inspections in violation of the applicable rules;
2. issuing, or assisting in issuing falsified inspection report;
3. refusing to cooperate with the designated delivery warehouse or owner of the commodities to conduct timely inspection without justified reason, and thus affecting the normal operation of loading or unloading in the warehouse; or
4. any other act that is in violation of the Exchange's rules related to the management of the designated quality inspection agencies.

**Article 412** In case a designated depository bank fails to perform relevant obligations of the designated depository bank under the *Measures for Clearing Management of Dalian Commodity Exchange*, the *Measures for Management of Designated Depository Banks of Dalian Commodity Exchange* and other business rules, it shall be ordered to make rectification, and the Exchange may impose disciplinary sanctions depending on the severity of the violation, it shall be subject to such as warning, reprimand, public censure, suspension of part of depository business,or cancellation of the its qualification of being the designated depository bank, and a fine of less than CNY five hundred thousand (500,000) may be imposed additionally.

**Article 423** Any of the Members, OSPs, Overseas Intermediaries, market makers, clients or any other futures market participants which disturbs the trading management order through varied means shall be subject to rectification, and the Exchange may impose disciplinary sanctions depending on the severity of the violation such as warning, reprimand, suspension of part of futures business, suspension of opening positions for trading for a period no less than one month, with the directly liable person being punished by suspending engagement in the Exchange's futures business for a period of no more than one (1) month. In case of a serious violation, such punishments shall be imposed as reprimand, public censure, suspension of part of futures business, suspension of opening positions for trading for a period of less than twelve one to six months, suspension of part of futures or options business, cancellation of the its corresponding qualification, or being declared as "prohibited market accessor", and a fine of less than CNY five hundred thousand (500,000) may be imposed additionally. The directly liable person shall be subject to suspension from engaging in the Exchange's futures business for a period of one (1) to six (6) month or being declared as "prohibited market accessor".

**Article 44** Whoever has been declared as "prohibited market accessor" by the Exchange shall close out its open interests, wind up its trading business, and settle all credits and debts within twenty (20) business days after the effective date is announced.

Whoever has been declared as "prohibited market accessor" by CSRC or other futures exchange(s) must not conduct any futures business on the Exchange during the time period when the prohibition stays effective.

**Article 453** In case a Member, OSP, Overseas Intermediary, market maker, client or any other futures market participant conducts any of the following acts, it shall be ordered to make rectification, and the Exchange may impose disciplinary sanctions depending on the severity of the violation such as warning, be subject to reprimand, public censure, suspension of part of futures business or suspension of opening positions for trading for a period of less than twelve no more than one (1) months, suspension of part of futures or options business, cancellation of the corresponding qualification, or being declared as "prohibited market accessor", and a fine of less than CNY five hundred thousand (500,000)between CNY ten thousand (10,000) and CNY two hundred thousand (200,000) may be imposed additionally:

1. refusing, impeding or delaying to cooperate in any routine examination or filed investigation by the Exchange, or violating its confidentiality obligation;
2. failing to accept the investigation, examination or appointment talk at the time and in the manner required by the Exchange without any justified reason;

(2) refusing to implement the Exchange's ruling decision;

1. making any report, representation, explanation or statement which is fraudulent, misleading or contains material omission, or providing any false document, materials or information; or
2. failing refusing to implement the disciplinary sanction decisions, restrictive actions or any other self-regulatory management supervisory or administrative actions taken by the Exchange; or.
3. failing to comply with relevant provisions of the Exchange's risk warning system or rectification requirements.

**Article 46**  In case a staff of the Exchange violates the relevant rules, the violation shall be handled according to the national laws, regulations, and the Exchange's personnel management policy as well as the rules regarding clean and honest administration.

**Chapter IV Verdict and Enforcement**

**Article 47** The Board of Governors shall determine the revocation of membership or OSP qualification and declaration of "prohibited market accessor" by the Exchange.

**Article 484** After the Exchange investigates and verifies the suspected violations, if the facts are clear and the evidence is conclusivefirm, the Exchange shall make a decision in accordance with the Bylaws, the Trading Rules and the Measures, and impose disciplinary sanctions or other self-regulatory management measures on the futures market participants that commit violations.

The disciplinary sanctions shall be decided on and implemented by the Exchange, and other self-regulatory management measures shall be decided on and implemented by the Exchange or the departments designated by the Exchange.

**Article 45** The Exchange shall establish the disciplinary sanction hearing organization, which shall hear the violation cases on which disciplinary sanctions are to be given.

**Article 46** Disciplinary sanctions of the revocation of membership or OSP qualification or declaration of "prohibited market accessor" shall be determined by the Board of Governors of the Exchange.

**Article 497** The Exchange shall issue a written notice of ruling decision on disciplinary sanctions.

The written notice of ruling decision on disciplinary sanctions shall mainly contain the following contents:

1. the name or designation, domicile of the party involved;
2. facts and supporting evidence of the violation;
3. the category and basis of the ruling decision of the violation on disciplinary sanctions;
4. the enforcement methods and effective period of the ruling decision on disciplinary sanctions;
5. the methods and period of lodging an appeal for review in case of refusal to decision on disciplinary sanctions; and
6. the date when the ruling decision on disciplinary sanctions is made.

**Article 5048** The Exchange shall send the written notice of ruling decision on disciplinary sanctions to parties concerned, copy and report to CSRC. The Exchange may directly serve or entrust other institutions to serve the written notice of decision on disciplinary sanctions and the service methods include the mail service, the data message and the announcement service. If the party concerned therein is a Member, it shall be deemed delivered when sent to its trading seat; and if the party concerned therein is not a Member, the notice may be sent by post and it shall be deemed delivered on the fifth (5th) working days of dispatch in the People's Republic of China ("PRC") and the tenth (10th) working day of dispatch outside the PRC. Copies of the ruling decision notice shall be respectively sent to the appropriate departments which assist in enforcement of the decision simultaneously.

Where the written notice is served by mail, the written notice shall be deemed to have been served within five trading days in the People's Republic of China, within 10 trading days abroad from the date of mailing. Where the written notice is served by data message, the written notice shall be deemed to have been served upon entering the specific system of the party concerned.

If the whereabouts of the party concerned are unknown, or such parties avoid or evade the service, or fail to be served by other means. The Exchange may release an announcement on the website of the Exchange, and the announcement shall be deemed to have been served upon expiration of 10 trading days from the date of announcement.

In case of service by two or more methods listed above, the earliest date on which the written notice is served shall be deemed as the date of service.

The mailing address, fax number, telephone number, e-mail address and other contact information of the party concerned shall be subject to the records in the unified account opening system of futures market. If the contact information retained by the parties concerned is inaccurate or the information change is not reported to the Exchange in writing, it shall bear the corresponding consequences of failing to receive the written notice of decision on disciplinary sanctions.

If required in CSRC's regulations, the information of handling of the violation shall be copied and reported to CSRC.

The documents, notices and materials related to the investigation and handling of violations by the Exchange may be served as per the preceding paragraph.

**Article 5149** The Exchange's ruling decision on disciplinary sanctions shall come into effect on the date the notice is deemed served.

The party concerned may appeal apply for the review of the decision in writing to the Exchange one (1) time only within ten (10) trading days from the effective date of the written ruling decision on disciplinary sanctions. The enforcement of the ruling decision on disciplinary sanctions shall not be suspended during the period of appeal review.

**Article 520** The Exchange shall make a decision on the appeal review within one (1) two (2) months from the date on which it receives the appeal review application. The decision on the appeal review shall be final and binding.

**Article 531** The futures market participant shall implement or cooperate with the implementation of decisions of the Exchange on disciplinary sanctions. If any Member, OSP, Overseas Intermediary, client, designated delivery warehouse, designated depository bank, information service provider, designated quality inspection agency, or any other the futures market participant refuses to fails to perform or cooperate in performing its relevant obligation under the ruling decision on disciplinary sanctions, the Exchange may enforce its performance.

The relevant futures market participants shall cooperate with the Exchange to enforce the relevant violation ruling decision.

**Article 542** If a fine or confiscation is included in a violation ruling decision on disciplinary sanctions, the parties concerned shall pay the amount of the fine or confiscation to the account designated by the Exchange within five (5) trading days as of the effective date of the ruling disciplinary sanction decision. If the parties concerned fails to pay the fine or confiscation within the prescribed time period, the Exchange may deduct the amount of such payment from the Member's dedicated fund account.

The fine or confiscation imposed against an employee of the Member shall be paid by the Member on behalf of the employee; the fine or confiscation imposed against an employee of the designated delivery warehouse shall be paid by the designated delivery warehouse on behalf of the employee. If the designated delivery warehouse fails to pay the fine or confiscation within the prescribed time limit, the Exchange may deduct the amount from the designated delivery warehouse's risk margin.

The Members, OSPs, and the Overseas Intermediaries shall cooperate with the Exchange in the enforcement of the ruling decision disciplinary sanctions against their clients and the market makers and help to deduct the funds of the relevant client and the market maker from its deposit at its Member.

If a futures market participant fails to pay fine or confiscation within the prescribed time limit, the Exchange may take the measures such as suspending from opening new positions, suspending part of its futures or options business, until the participant pays the fine or confiscation.

**Article 55** If a fine or confiscation is included in a violation ruling decision, the designated delivery warehouse which the ruling is against shall pay the amount of the fine or confiscation to the account designated by the Exchange within five (5) days as of the effective date of the ruling decision. The fine or confiscation imposed against an employee of the designated delivery warehouse shall be paid by the designated delivery warehouse on behalf of the employee. If the designated delivery warehouse fails to pay the fine or confiscation within the prescribed time period, the Exchange shall deduct the amount from the designated delivery warehouse's risk margin.

**Article 53** Whoever has been declared as "prohibited market accessor" by the Exchange shall close out its open interests, wind up its trading business, and settle all credits and debts within twenty (20) trading days after the effectiveness date of the announcement. If it fails to close out its positions within prescribed time limit, the Exchange will implement the forced liquidation.

Whoever has been declared as "prohibited market accessor" or "market undesirable person" by CSRC or other futures exchange(s) must not conduct any futures or options business on the Exchange during the time period when the prohibition stays effective, and its open interests in the Exchange shall be handled as per the preceding paragraph.

**Article 54** The Exchange may, in light of the actual circumstances, publish the disciplinary sanctions imposed on the futures market participants on the website of the Exchange or by other means, and record them in the credit files of the securities and futures market in accordance with the relevant provisions of CSRC.

**Chapter V Dispute and Mediation**

**Article 565** Any disputes in futures trading business between the Members, OSPs, Overseas Intermediaries, market makers, clients, designated delivery warehouses, designated depository banks, designated quality inspection agencies, information service providers and any other futures market participants may be settled through their own negotiations or submitted to the Exchange for mediation. If the mediator is unable to resolve the dispute, the disputing parties may submit the dispute to an arbitral institution for arbitration, or to the court for litigation.

**Article 576** The Exchange's mediation organorganization shall be the Mediation Committee under the Board of Governors of the Exchange, and standing office is located in the legal department of the Exchange.

**Article 587** The mediation shall be conducted on the basis of clear facts and definite responsibilities pursuant to the national laws and regulations related to futures trading and the Exchange's regulations and policies.

**Article 59** The party concerned shall apply to the Mediation Committee for mediation within 30 days after the date when it becomes aware or should be aware that its lawful rights and interest has been infringed.

**Article 6058** An application for mediation shall satisfy the following conditions:

1. having a written mediation application;
2. having specific facts, reason(s) and intended claim for mediation;
3. the dispute matter being within the mediation scope of the Mediation Committee.

**Article 6159**The party concerned mustshall submit a written application along with supporting documents while applying to the Mediation Committee for mediation.

The written mediation application shall be filled with the following items:

1. the name or title, ID card number or unified social credit code gender, age, occupation, employment and domicile of the party concerned, or the name, resident or contact address, phone number, etc. and the name and title of the legal representative or person-in-charge of the organization;
2. specific facts, reasons and intended claim for mediation;
3. relevant evidence.

**Article 60** After receiving the application for mediation, the Mediation Committee of the Exchange shall carefully review whether the relevant materials meet the requirements, and notify the parties concerned in writing whether to accept the application or not.

**Article 61** The Mediation Committee of the Exchange will not accept an application for mediation under any of the following circumstances:

1. the party concerned has filed a lawsuit with the people's court;
2. the party concerned has applied for arbitration to the arbitration institution;
3. one party concerned requests mediation while the other party refuses to mediate;
4. other circumstances under which the mediation committee of the Exchange decides not to accept the application.

**Article 62** The Mediation Committee of the Exchange shall complete the mediation within two months of the date of acceptance of the application for mediation. In case the situation is complicated and the mediation cannot be completed within the specified time period, the mediation can continue with the consent of both parties. If no agreement is reached on the continuance of the mediation, the mediation shall be terminated.

**Article 63** In any of the following circumstances, the Mediation Committee of the Exchange may terminate the mediation:

1. the parties concerned refuse to participate in the mediation or quit the mediation without permission;
2. the mediation matter involves the substantial interests of the third party, and the third party refuses to participate in the mediation or disagrees with the outcome of the mediation;
3. the parties concerned file a lawsuit separately or apply for arbitration on the mediated issue during the mediation period;
4. one of the parties concerned requests for termination of the mediation within the mediation time period;
5. the mediation parties fail to reach a mediation agreement within the prescribed time period; or
6. other circumstances that the Mediation Committee deems necessary to terminate the mediation.

**Article 624** The parties concerned shall bear the burden of proof pursuant to the relevant provisions. The Mediation Committee may investigate and gather evidence by itself at discretion when it deems necessary.

**Article 635** The Mediation Committee shall conduct the mediation on the basis of ascertaining the facts, distinguishing right from wrong and voluntariness of the parties concerned, and promote the mutual understanding of the parties and push assist the parties to reach an agreement.

**Article 646** Any agreement reached through mediation shall be filed on record and documented in a written mediation statement. A written mediation statement shall not take effect until it has been signed by both concerned parties and the mediator and sealed by the Mediation Committee.

**Article 65** A written mediation statement shall include the following contents clearly:

1. the name, domicile, and the name and title of the legal representatives or head of the two parties concerned;
2. the dispute issues and intended claim of the dispute;
3. the results of the mediation agreement.

**Article 66** The Mediation Committee shall complete the mediation within thirty (30) days upon acceptance of the application for mediation. If the mediation is not settled in due time, the Mediation Committee shall furnish the parties concerned with an explanation. If both parties concerned wish to continue the mediation, the Mediation Committee shall keep moving on the mediation. If one of the parties concerned intends to terminate the mediation, the mediation shall be terminated thereof.

**Article 67** In case the mediation fails to reach an agreement, the parties concerned may submit the dispute to an arbitral institution for arbitration, or to the court for litigation, within the territory of the PRC.

**Chapter VI Supplementary Provisions**

**Article 68** The Exchange reverses the right to interpret the Measures.

**Article 68** Unless otherwise prescribed by the specific articles, the "futures market", "futures business", and "futures trading" referred to in the Measures shall include options-related activities.

For the purpose of the Measures, the designated delivery warehouses include designated warehouses and designated factories.

**Article 69** The terms "(no) less than" and "(no) more than" herein shall include the number immediately following them.

**Article 70** The currency unit herein shall be CNY. In case of foreign currency funds, the CNY amounts shall be determined as per the then-current exchange rate when such behavior takes place.

**Article 70** The right to interpret the Measures shall vest in the Dalian Commodity Exchange.

**Article 71** The Measures shall come into force as of the date of promulgation.

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