**Attachment 4:**

## Detailed Rules of Iron Ore Futures of Dalian Commodity Exchange

**Chapter I General Provisions**

1. The Detailed Rules of Iron Ore Futures of Dalian Commodity Exchange (the "**Detailed Rules**") are formulated pursuant to the *Trading Rules of Dalian Commodity Exchange* and the *Iron Ore Futures Contract of Dalian Commodity Exchange* for the purpose of regulating trading activities of iron ore futures contracts in Dalian Commodity Exchange (the "**Exchange**").
2. The Exchange, its Members, the Overseas Special Participants (the "**OSPs**"), the Overseas Intermediaries, the clients, the designated delivery warehouses, the designated quality inspection agencies, the designated futures margin depository banks and other participants in the futures market shall comply with the Detailed Rules.
3. Where it is not provided in the Detailed Rules, the relevant rules of the Exchange shall apply.

**Chapter II Principle Terms of the Contract and Relevant Parameters**

1. The quality standards and the quality discounts and/or premiums of the standard deliverable products and substitutes under the iron ore futures contract are detailed in the *Iron Ore Delivery Quality Standards of Dalian Commodity Exchange (F/DCE I004-2021)* as Annex 1 attached hereto.
2. The iron ore delivery products shall be commodities of specific brands produced by manufacturers recognized by the Exchange. The deliverable brands, manufacturers and premiums and/or discounts of the brands shall be separately promulgated by the Exchange. The Exchange may adjust the deliverable brands, manufacturers and premiums and/or discounts of the brands based on market situation, and will publicize such adjustments in a timely manner.
3. The iron ore futures contract shall take the form of physical delivery.
4. The delivery warehouses designated for iron ore shall be categorized into benchmark delivery warehouses and non-benchmark delivery warehouses (detailed in the *List of Delivery Warehouses Designated for Iron Ore of Dalian Commodity Exchange* as Annex 2 attached hereto), and may be adjusted by the Exchange as the case may be.
5. The contract months of iron ore futures contract are January, February, March, April, May, June, July, August, September, October, November and December.
6. The trading unit of iron ore futures contract is 100 MT/Lot.
7. The price quote unit of iron ore futures contract is CNY/MT.
8. The tick size of iron ore futures contract is 0.5 CNY/MT.
9. The maximum quantity of orders placed each time for iron ore futures contract shall be one thousand (1,000) lots.
10. The standard of trading margins, price limit range and position limit under iron ore futures contract shall be subject to the relevant provisions of the *Measures for Risk Management of Dalian Commodity Exchange*.
11. The last trading day of iron ore futures contract is the tenth (10th) trading day of the contract month.
12. The last delivery day of iron ore futures contract is the third (3rd) trading day after the last trading day.
13. The ticker symbol of iron ore futures contract is I.

**Chapter III Delivery and Clearing**

Section I General Provisions

1. Iron ore futures contract is available for the exchange of futures for physicals (the "**EFP**"), bill of lading delivery, rolling delivery and one-off delivery. Bonded delivery is applicable to iron ore futures contract.

With respect to the EFP, rolling delivery and one-off delivery involving bonded standard warehouse receipt, the applicable provisions of the Detailed Rules shall apply.

With respect to the EFP, rolling delivery and one-off delivery involving duty-paid standard warehouse receipt, the applicable provisions of the *Measures for Delivery Management of Dalian Commodity Exchange* and the *Measures for Clearing Management of Dalian Commodity Exchange* shall apply.

With respect to the bill of lading delivery of which the application quantity for each delivery is ten thousand (10,000) tons or the integral multiple, the applicable provisions of the *Measures for Delivery Management of Dalian Commodity Exchange* and the *Measures for Clearing Management of Dalian Commodity Exchange* shall apply, if not provided in the Detailed Rules. The *Confirmation Letter for Brand, Quality and Quantity of the Handed-over Products* thereof is detailed in Annex 3 attached hereto.

1. In the case of rolling delivery, the seller's declaration of delivery and the buyer's declaration of intent on the matching day shall proceed as follows:
2. *The seller declares the delivery.* During the delivery month, the client which holds both standard warehouse receipts and the unilateral selling positions of the delivery month may file, through the Member, an application for delivery, and the Member may declare the delivery to the Exchange prior to 11:30 of each trading day as of the first trading day of the delivery month through the trading day immediately preceding the last trading day thereof (inclusive). The standard warehouse receipts corresponding to the proposed delivery application will be frozen, and the trading margins corresponding to its selling positions will not be collected. The Exchange will review the above application and announce the seller's application for delivery that has passed the review after 13:30 of each trading day. After the announcement, the delivery application shall not be revoked and shall only be valid on the then-current day.

If the unilateral selling positions of the seller client are less than the positions declared by the seller client and passed the review in the matching of delivery, the Exchange will prohibit the client from making the rolling delivery declaration as the seller of such product for a period of one (1) year from the date of this declaration.

1. *The buyer declares the intent.* The buyer which holds the unilateral buying positions of the delivery month may, according to the sellers' application for delivery announced by the Exchange, declare two delivery intents to the Exchange as of the first trading day of the delivery month but prior to the market close of the trading day immediately preceding the last trading day thereof, which include the first intent and the second intent. The priority orders are as below: (i) with respect to any buyer, its first intent shall be firstly considered, and in case the first intent is not satisfied or not fully satisfied, the second intent shall then be considered; and (ii) with respect to any designated delivery warehouse, buyers who designate it as the first intent shall be considered first, and in case there are remaining standard warehouse receipts, buyers who designate it as the second intent shall then be considered. The declaration of intent is only valid on the then-current day.
2. After the market is closed on the matching day of rolling delivery, the Exchange shall carry out the delivery matching through the system as per the following principles and steps:

*The first step: collecting the standard warehouse receipts declared for delivery*. The Exchange shall collect seller's standard warehouse receipts that have been declared for delivery by taking designated delivery warehouse as the unit.

*The second step: matching the buyers and the designated delivery warehouses.* For any designated delivery warehouse, if the aggregate position quantity held by the buyers which propose the delivery intents is smaller than or equal to the quantity of relevant standard warehouse receipts, all the buyers' intents will be fully satisfied; if the aggregate position quantity held by the buyers which propose the delivery intents is bigger than the quantity of relevant standard warehouse receipts, the buyers which will participate in the matching of delivery will be determined under the principles of "priority of matching overseas buyer (excluding the qualified foreign institutional investors and the RMB qualified foreign institutional investors (collectively referred to as the "**Qualified Foreign Investors**")) with bonded standard warehouse receipts, priority of matching domestic buyer with duty-paid standard warehouse receipts" and "priority in the most length of the average position period".

The average position period shall take "*day*" as the unit, which shall be the weighted average number of the period of each Lot of the positions. In case of the same lengths of average position periods, the priority shall be given to the buyer which has the earliest position. The specific formula is as below:

|  |  |  |
| --- | --- | --- |
| The buyer's average position period | = | ∑ period of the buyer's each *Lot* of position |
| the buyer's aggregate position quantity |

For the remaining standard warehouse receipts after satisfaction of the buyers' intents, the Exchange will then select the domestic buyers to be matched with the duty-paid standard warehouse receipts and the overseas buyers (excluding the Qualified Foreign Investors) to be matched with the bonded standard warehouse receipts under the principle of "priority in positions with the earliest building time" respectively from the position-holding buyers which have not submitted any delivery intents and those of which the delivery intents have not been satisfied; and the Exchange will then determine the designated delivery warehouses corresponding to the buyers' delivery and the quantities to be delivered in such warehouses under the principle of "minimum matching quantity".

For the remaining standard warehouse receipts after performance of the step in the preceding paragraph, the Exchange will then select the buyers to participate in the matching under the principle of "priority in positions with the earliest building time" from the remaining position-holding buyers and the Exchange will then determine the designated delivery warehouses corresponding to the buyers' delivery and the quantities to be delivered in such warehouses under the principle of "minimum matching quantity".

*The third step: matching the buyers and the sellers.* The Exchange shall carry out matching between the buyers matched with the designated delivery warehouses and the sellers holding the corresponding standard warehouse receipts under the principle of "minimum matching quantity" to determine the buyers and the sellers corresponding to the delivery. Once the matching result is determined, it may not be modified by the buyer or the seller.

1. The delivery unit of iron ore futures contract delivery unit shall be ten thousand (10,000) tons.
2. Standard warehouse receipt of iron ore can be categorized into standard warehouse receipt of storage warehouse and standard factory warehouse receipt, or bonded standard warehouse receipt and duty-paid standard warehouse receipt.

Delivery declaration of domestically produced iron ores shall only be made with standard factory warehouse receipt.

1. Price difference under quality premiums and/or discounts as well as brand premiums and/or discounts of iron ore futures contract shall be settled between the owner of the commodities and the designated delivery warehouse, except for handing-over of bonded iron ore.
2. With respect to iron ore, dedicated VAT invoice shall be issued for handing-over of duty-paid commodities, and common VAT invoice shall be issued for handing-over of bonded commodities.

For handing-over of duty-paid commodities, the dedicated VAT invoice shall be issued by the seller of the delivery to the corresponding buyer, and shall be forwarded, obtained, and verified by the Members of the buyer and seller client. The Exchange will fully settle the remaining payments according to the result confirmed by the Members of the parties.

For handing-over of bonded commodities, the domestic seller client shall issue common VAT invoice to the seller Member, and the overseas seller client, the OSP, or the Overseas Intermediary shall issue corresponding certificate of receipt to the seller Member; the seller Member shall issue common VAT invoice to the Exchange; the Exchange shall issue common VAT invoice to the buyer Member; and the buyer Member shall issue common VAT invoice to the buyer client, the OSP, or the Overseas Intermediary.

1. For handing-over of duty-paid commodities, if the seller Member fails to provide the dedicated VAT invoice within the prescribed time, the Exchange will charge the seller Member late fee at the rate of zero point five thousandth (0.5‰) per day of payment amount from the second (2nd) day on which the dedicated VAT invoice should have been provided, and will pay such late fee to the buyer Member as compensation; the seller Member will be deemed as failure to provide dedicated VAT invoice if it fails to provide the invoice within thirty (30) calendar days, in which circumstance the Exchange will charge the compensation as per the VAT amount calculated pursuant to the national taxation policies, and such amount will be paid to the buyer Member together with the late fee as compensation. The foregoing fees and amounts will be deducted from the delivery payment fund reserved at the Exchange by the seller Member, and the remaining payment fund shall belong to the seller Member. In case the buyer and the seller agree otherwise, such agreement shall prevail.

For handing-over of bonded commodities, if the seller Member fails to provide the common VAT invoice at the market close of the seventh (7th) trading day after the day on which the common VAT invoice should have been provided, the Exchange shall withhold five percent (5%) of the payment amount. As of the day immediately following the seventh (7th) trading day after the day on which the common VAT invoice should have been provided, the Exchange shall draw late fee from such withholding amount at the rate of zero point five thousandth (0.5‰) per day of the payment amount; the seller Member will be deemed as failure to provide common VAT invoice if it fails to provide the invoice within thirty (30) calendar days, in which case the withholding amount will not be returned to the seller Member.

1. The delivery commissions, the sampling and inspection fees, the storage fees and other fees of Iron Ore shall be separately published by the Exchange.
2. During the course of iron ore futures trading, in case that war, social instability, natural disasters or other events are exerting, or are about to exert, significant impacts upon the imports of iron ore, the Chief Executive Officer of the Exchange may take emergency measures such as adjusting the opening and closing time of the market, suspending or terminating trading. Upon settlement on the relevant day when the trading is terminated, the Exchange may liquidate positions of all or part of the iron ore contract months based on the settlement price of the immediately preceding trading day.

Section II Standard Warehouse Receipt Delivery

1. The *Measures for Standard Warehouse Receipt Management of Dalian Commodity Exchange* shall apply to generation, circulation and deregistration of the standard warehouse receipts, if not provided in the Detailed Rules. Where the Detailed Rules stipulate otherwise on bonded standard warehouse receipt, such stipulations shall prevail.
2. A Member shall pay the notice of intent to deliver earnest money to the Exchange as per the standard of CNY twenty (20) per ton when it handles the notice of intent to deliver.
3. The owner which has fully completed the notice of intent to deliver shall notify the designated delivery warehouse of the vehicle or vessel number, products, brand, manufacturer, quantity, arrival time and other information, and provide import documentation of the iron ores to the designated delivery warehouse three (3) calendar days prior to loading-in of the commodities, and the designated delivery warehouse shall reasonably arrange for receipt and loading-in of the commodities.

The owner shall provide the following documents for directly imported iron ores:

1. certificate of analysis issued by the manufacturer which shall set out brand, quality, loading port, vessel name, bill of lading date, manufacturer, etc. and shall be signed by authorized person of the manufacturer, or a photocopy of such certificate of analysis; or certificate of analysis issued by the inspection agency that has conducted quality inspection of the commodities at shipment, which shall set out brand, quality, loading port, vessel name, bill of lading date, inspection agency etc. and shall be signed by authorized person of the inspection agency, or a photocopy of such certificate of analysis;
2. title certificate issued by the freight forwarder affixed with its business seal, which shall set out brand, manufacturer, quantity, vessel name, voyage number or date of arrival, bill of lading number, unloading warehouse, owner of commodities and others; and
3. other documents required by the Exchange.

The owner shall provide the following documents for iron ores processed at port:

1. certificate of analysis issued by the manufacturer which shall set out brand, quality, delivery order number, processing warehouse, manufacturer, etc. and shall be signed by authorized person of the manufacturer or affixed with the manufacturer's company seal, or a photocopy of such certificate of analysis;
2. title certificate issued by the freight forwarder affixed with its business seal, which shall set out brand, manufacturer, quantity, delivery order number, processing warehouse, owner of commodities and others; and
3. other documents required by the Exchange.
4. The designated delivery warehouse shall engage a quality inspection agency designated by the Exchange for quality inspection of the loading-in commodities, unless the designated delivery warehouse has no issues on quality of the commodities.

Where the designated delivery warehouse engages a quality inspection agency, it shall notify the designated quality inspection agency of the method, quantity, date of delivery and other information after receiving the owner's loading-in notice, and the foregoing information shall be set out in the quality inspection agreement. The quality inspection agreement shall also provide for, among other things, day and night operation fees, method for the designated delivery warehouse to notify the designated quality inspection agency of the loading-in iron ores, quantity of commodities to be inspected, time of issuing the inspection report, and liability attributable to the designated quality inspection agency's failure to arrive at the site on time. The inspection fees shall be borne by the owner and delivered by the designated delivery warehouse.

1. Sampling of iron ore shall be made in the iron ore flows at the time of being loaded in and stacked in the warehouse.
2. The receiving and consigning weights of iron ore shall be subject to weighting by the designated delivery warehouse through measurement of wagon balance, rail weighbridge, water gauge or any other measurement method agreed by the buyer and the seller. The designated delivery warehouse shall, on the basis of the moisture test result of the iron ore issued by the quality inspection agency designated by the Exchange, calculate the weight by converting to dry basis equivalence which shall be the basis for issuing the standard warehouse receipt; for commodities exempted from loading-in inspection by the designated delivery warehouse, the warehouse shall calculate the weight by converting to dry basis equivalence based on the moisture specified in the certificate of analysis provided by the owner, and such result shall be the basis for issuing the standard warehouse receipt.
3. After completing the quality inspection of iron ore, the inspection agency designated by the Exchange shall issue one (1) original and three (3) duplicate inspection reports. The original shall be submitted to the designated delivery warehouse and two (2) of the duplicates shall be respectively delivered to the Exchange and the owner.
4. The designated delivery warehouse shall check the relevant materials and certificates regarding the brand, quality and quantity of the loaded-in iron ores subject to applicable provisions of the Exchange.
5. The designated delivery warehouse shall verify the brand of iron ores by checking the preserved delivery order, the recorded stack position and documents provided by the owner, and confirming with the manufacturer, customs, freight forwarder or shipping agent or other relevant parties of the trade flow. The warehouse may require the owner to provide guarantees for brand and quality of iron ores.
6. When applying for registration of standard warehouse receipt, the designated delivery warehouse shall submit relevant materials and certificates of the recognized iron ore brand to the Exchange through the electronic warehouse receipt system.

In addition to the documents provided by the owner under Article 29, the designated delivery warehouse shall further upload the following documents for directly imported iron ores:

1. delivery order issued by the shipping agent affixed with its business seal, which shall set out brand, quantity, vessel name, voyage number or date of arrival, bill of lading number, unloading warehouse and others; or a photocopy of such delivery order which is certified by the unloading warehouse to be consistent with the original, with "consistent with the original" written on it and affixed with business seal of the warehouse;
2. stack position statement issued by the unloading warehouse affixed with its business seal, which shall set out stack number, quantity, vessel name, voyage number or date of arrival, bill of lading number, freight forwarder, shipping agent and others; and
3. other documents required by the Exchange.

The designated delivery warehouse shall further upload the following documents for iron ores processed at port:

1. delivery order issued by the manufacturer with signature of its authorized person or affixation of its company seal, which shall set out brand, quantity, delivery order number, processing warehouse and other information; or a photocopy of such delivery order which is certified by the processing warehouse to be consistent with the original, with "consistent with the original" written on it and affixed with business seal of the warehouse;
2. stack position statement issued by the processing warehouse affixed with its business seal, which shall set out stack number, quantity, delivery order number, freight forwarder, shipping agent and other information; and
3. other documents required by the Exchange.
4. The standard warehouse receipts of iron ore shall be deregistered prior to the last trading day of each March and September.
5. When the owner comes to pick up the commodities, the designated delivery warehouse shall provide relevant materials and certificates of the recognized iron ore brand to the owner. For directly imported iron ores, the designated delivery warehouse shall provide the documents specified under Article 36, paragraph 2 of the Detailed Rules. For iron ores processed at port, the designated delivery warehouse shall provide the documents specified under Article 36, paragraph 3 of the Detailed Rules. For domestically produced iron ores, the factory warehouse shall provide the following documents:
6. certificate of analysis issued by the manufacturer affixed with its company seal, which shall set out brand, quality, quantity, manufacturer and other information; and
7. other documents required by the Exchange.
8. If the owner has any objection on the iron ore brand, the owner may raise such objection prior to loading-out of the commodities and within ten (10) working days (inclusive of the tenth working day) after the deregistration of the standard warehouse receipt.
9. When the iron ore is loaded out of the storage warehouse, the owner which holds the *Notice to Load Out* or load-out password shall contact the designated delivery warehouse for the loading-out matters three (3) calendar days prior to the actual pickup date, and shall pick up the commodities at the designated delivery warehouse within ten (10) working days (inclusive of the tenth working day) after deregistration of the standard warehouse receipt.
10. When loading out the iron ores, the designated delivery warehouse shall provide the actual moisture test result made by it to the owner; if the warehouse engages an inspection agency for quality inspection of the loading-in iron ores, it shall provide the quality inspection report issued for registration of the warehouse receipt.

The designated delivery warehouse shall calculate the weight to be loaded out of the warehouse based on the actual moisture test result and the *Iron Ore Delivery Quality Standards of Dalian Commodity Exchange (F/DCE I004-2021)*, and then have the sufficient weight loaded out.

The designated delivery warehouse may settle the quality premiums and/or discounts based on the certificate of analysis provided by the owner for the registration of the warehouse receipt; if the warehouse engages an inspection agency for quality inspection of the loading-in iron ores, it shall settle the quality premiums and/or discounts based on the quality inspection report issued for registration of the warehouse receipt. In case the warehouse and the client agree to draw samples and keep the samples, and neither of them has objection on quality of the iron ore within fifteen (15) calendar days after it has been loaded out of the warehouse, the warehouse shall settle the quality premiums and/or discounts based on the certificate of analysis provided by the owner for the registration of the warehouse receipt; if the warehouse engages an inspection agency for quality inspection of the loading-in iron ores, it shall settle the quality premiums and discounts based on the quality inspection report issued for registration of the warehouse receipt; if one party or both parties have objection on quality of the iron ore, the inspection result of such kept samples shall be the basis for settlement of quality premiums and/or discounts of the warehouse; if the warehouse engages an inspection agency for quality inspection of the loading-in iron ores, in case there is any difference between such sampling inspection result and the quality inspection report issued for registration of the warehouse receipt but within the error margin stipulated in the national standard, the quality inspection report issued for registration of the warehouse receipt shall prevail; if the warehouse does not engage an inspection agency for quality inspection of the loading-in iron ores, in case there is any difference between such sampling inspection result and the certificate of analysis provided by the owner for the registration of the warehouse receipt but within the error margin stipulated in the national standard, the certificate of analysis provided by the owner for the registration of the warehouse receipt shall prevail.

1. If the owner has objection on the actual moisture test result made by the designated delivery warehouse, it shall choose a designated inspection agency to conduct inspection on site, and such inspection result shall be the basis for weight measurement of the iron ore being loaded out of the warehouse.

If the owner has objection on the iron ore quality inspection result, it may choose either of the following two methods to draw and keep samples:

* 1. to continue the loading-out process, and choose a designated inspection agency to draw samples from the ore flows and keep the samples; or
  2. to choose a designated quality inspection agency to do sampling by opening the stack, shifting the stack or otherwise.

Both parties shall take the sampling inspection result as the basis for dispute settlement in accordance with Article 56 of the *Measures for Standard Warehouse Receipt Management of Dalian Commodity Exchange*. If the warehouse engages an inspection agency for quality inspection of the loading-in iron ores and in case there is any difference between such sampling inspection result and the quality inspection report issued for registration of the warehouse receipt but within the error margin stipulated in the national standard, the sampling inspection result shall be deemed to be consistent with the quality inspection report presented by the designated delivery warehouse and the quality inspection report issued for registration of the warehouse receipt shall be used as the basis for dispute settlement. If the warehouse does not engage an inspection agency for quality inspection of the loading-in iron ores and in case there is any difference between such sampling inspection result and the certificate of analysis provided by the owner for the registration of the warehouse receipt but within the error margin stipulated in the national standard, the sampling inspection result shall be deemed to be consistent with the certificate of analysis provided by the owner and the certificate of analysis provided by the owner for the registration of the warehouse receipt shall be used as the basis for dispute settlement.

The quality inspection fees shall be prepaid by the owner. Any and all fees (including, but not limited to, the inspection fees and the travel expenses) and losses shall be borne by the owner if the inspection result is consistent with that produced by the designated delivery warehouse, otherwise the fees and losses shall be borne by the designated delivery warehouse.

1. When the iron ore is loaded out of the factory warehouse, the owner shall pick up the commodities at the factory warehouse within four (4) calendar days (inclusive of the fourth calendar day) following the deregistration day of the standard warehouse receipt (exclusive of the deregistration day). The factory warehouse shall commence consignment within four (4) calendar days (inclusive of the fourth calendar day) following the deregistration day of the standard warehouse receipt (exclusive of the deregistration day).

The factory warehouse shall have the commodities loaded out in accordance with the delivery quality standards specified in the contract and settle the quality premiums and/or discounts based on the certificate of analysis issued by the manufacturer or the inspection agency at the time of shipment; if the loaded-out commodities have been inspected by an inspection agency designated by the Exchange or that recognized by both of the buyer and seller, the factory warehouse shall settle the quality premiums and/or discounts based on the original quality inspection report issued by such inspection agency.

When the iron ore is loaded out of the factory warehouse, the factory warehouse shall draw samples under the owner's supervision, and the samples shall be sealed upon confirmation of both parties and shall be preserved for fifteen (15) calendar days following the consignment day as the basis for handling any quality dispute.

1. Where the factory warehouse consigns commodities to the owner at a speed no higher than the daily consignment speed but the owner fails to pick up the commodities due to its transportation capability or other reasons, the owner shall pay late fee to the factory warehouse. The late fee is calculated as follows:
2. from the day when the owner starts to pick up the commodities (inclusive), the late fee for each day shall be product of the quantity of the commodities that should have been picked up on that day and the corresponding late fee standard; and
3. as of the day when the picking-up is completed (exclusive), the aggregate late fee owed to the factory warehouse by the owner shall be the sum of the late fees for each day.

The late fee standard shall be CNY 0.1/Ton\*Day within nineteen (19) calendar days (inclusive of the nineteenth calendar day) following the deregistration of the standard warehouse receipt (exclusive of the deregistration day), and CNY 0.5/Ton\*Day after this period.

1. If the pick-up is carried out after expiry of the pick-up period (exclusive of the expiry day) and within nineteen (19) calendar days (inclusive of the then-current day) following the deregistration of the standard warehouse receipt (exclusive of the deregistration day), the owner shall pay late fee to the factory warehouse, and the factory warehouse shall nevertheless assume the liability related to the commodity quality, consignment time and consignment speed pursuant to the futures standards, until all the futures commodities have been consigned.

The late fee shall be calculated as follows:

1. from the expiration date of picking-up period (inclusive), the late fee for each day shall be product of the quantity of the commodities that should have been picked up on that day and the corresponding late fee standard; and
2. as of the day when the picking-up is completed (exclusive), the aggregate late fee owed to the factory warehouse by the owner shall be the sum of the late fees for each day.

The late fee standard shall be CNY 0.1/Ton\*Day within nineteen (19) calendar days (inclusive of the nineteenth calendar day) following the deregistration of the standard warehouse receipt (exclusive of the deregistration day), and CNY 0.5/Ton\*Day after this period.

1. If the owner picks up the commodities at the factory warehouse after nineteen (19) calendar days (exclusive of the nineteenth calendar day) following deregistration of the standard warehouse receipt (exclusive of the deregistration day), the owner shall pay late fee to the factory warehouse as calculated in the following formula, and the factory warehouse shall assume no liability related to the commodity quality, consignment time and consignment speed under the futures standards.

Amount of late fee = CNY 0.1/Ton\*Day × Quantity of all the commodities × 19 Days.

1. Where the factory warehouse fails to consign commodities according to the required daily consignment speed but completes the consignment of all the commodities on time, the factory warehouse shall compensate the owner.

Amount of compensation = delivery settlement price of the last delivery month of such commodity × quantity of the commodities which should have been consigned as per the required daily consignment speed × 5%

1. Where the factory warehouse fails to complete the consignment of all the commodities on time, it shall compensate the owner in addition to the compensation provided in Article 47 hereof. Amount of compensation = delivery settlement price of the last delivery month of such commodity × quantity of the commodities that should have been consigned according to the total quantity of the commodities × 5%. The following procedures shall also be followed in case of such failure:
2. the Exchange will provide to the owner the physical commodities of the same quality and quantity in other factory warehouses or other places and will bear all the costs and expenses arising out of or in connection with change of delivery site and the delayed consignment; or
3. where the Exchange fails to provide the abovementioned commodities, the Exchange shall refund to the owner the payment of the commodities and compensate the owner.

Amount of refunded payment of commodities and compensation = delivery settlement price of the last delivery month of such commodity × quantity of the commodities that should have been consigned according to the total quantity of the commodities × 120%

1. In the event of any default of the factory warehouse described in Article 47 or 48 hereof, the factory warehouse shall pay the compensation to the owner first. Where the factory warehouse fails to pay the compensation in whole or in part, the Exchange will handle such situation subject to the relevant provisions in the *Measures for Standard Warehouse Receipt Management of Dalian Commodity Exchange*.

**Chapter IV Bonded Standard Warehouse Receipt**

Section I Generation of Bonded Standard Warehouse Receipt

1. Procedures for generation of bonded standard warehouse receipt shall be subject to the relevant provisions of the Exchange on standard warehouse receipt.
2. The standard warehouse receipt applied for registration by the bonded delivery warehouse shall clearly indicate whether the corresponding commodities are under the bonded status or duty-paid status, and the bonded delivery warehouse shall manage the commodities under different status separately.

When applying for registration of bonded standard warehouse receipt, the bonded delivery warehouse shall fill in the quality premiums/discounts and brand premiums/discounts.

Section II Circulation of Bonded Standard Warehouse Receipt

1. The bonded standard warehouse receipt of iron ore may be used for EFPs delivery, rolling delivery, one-off delivery, trading and transfer.
2. In addition to relevant provisions of the Detailed Rules, the *Measures for Delivery Management of Dalian Commodity Exchange* and the *Measures for Clearing Management of Dalian Commodity Exchange* shall also apply to EFPs delivery, rolling delivery and one-off delivery of the bonded standard warehouse receipt of iron ore.

The detailed procedures for trading of bonded standard warehouse receipt shall be separately prescribed by the Exchange.

1. Transfer of bonded standard warehouse receipt shall follow the transfer procedures of the Exchange, and the Exchange will handle the payment. The payment shall follow the provisions below:
2. the parties of the transaction shall submit transfer application to the Exchange through their Members, and such application shall contain the transfer price which shall be within the range of the limit price (after tax deduction) of the latest delivery month on the submission day of the transfer application, with bonded premiums /discounts excluded; the seller Member shall also submit to the Exchange the common VAT invoice when making the transfer application;
3. if the transfer application is submitted prior to the market close, the payment and the transfer of warehouse receipt will be processed on the then-current day; if the transfer application is submitted after the market close, the payment and the transfer of warehouse receipt will be processed on the following trading day;
4. prior to the market close on the processing day, the buyer Member shall transfer full payment amount into the Exchange's special settlement account, and the seller Member shall deliver the corresponding quantity of the bonded standard warehouse receipt to the Exchange; the transfer payment is calculated as per the following formula:

Transfer payment = (transfer price + bonded premiums/discounts) × lots transferred × trading unit

Bonded premiums/discounts = (quality premiums/discounts + brand premiums/discounts + premiums/discounts of non-benchmark delivery warehouse compared with benchmark delivery warehouse) / (1 + import VAT rate) / (1 + import duty rate)

1. in case the seller Member fails to deliver full quantity of the bonded standard warehouse receipt or the buyer Member fails to make full payment at the market close on the processing day, the parties shall be deemed to abandon the application for transfer of bonded standard warehouse receipt; and
2. after the market close on the processing day, the Exchange shall deliver to the buyer Member the bonded standard warehouse receipt, and pay to the seller Member the transfer payment, except as otherwise prescribed by the Exchange.
3. Upon completion of transfer of the warehouse receipt and payment, the Exchange will issue a *Bonded Delivery Settlement Statement (for taxation and accounting purpose only)* to the seller and a *Bonded Delivery Settlement Statement (for accounting purpose only)* to the buyer as the certificate for tax declaration. In addition to the price information, the *Bonded Delivery Settlement Statement* shall contain, among other things, name of warehouse, actual quantity, delivery time, delivery method ("transfer" shall be noted in the delivery method), and the bonded premiums/discounts.

Section III Bonded EFPs

1. The Exchange shall be responsible for handling delivery and payment of bonded standard warehouse receipt for EFPs (the "**Bonded EFP**s"), with the handling fees charged according to the *Measures for Clearing Management of Dalian Commodity Exchange*, the *Measures for Delivery Management of Dalian Commodity Exchange* and other relevant rules.
2. Upon settlement on the approval day of the Bonded EFPs, the Exchange shall close the corresponding positions of the buyer and the seller as per the contract settlement price of the latest delivery month of the trading day immediately preceding the application day and have the profit and loss settled, and the Exchange shall also transfer relevant payment as per the Bonded EFPs delivery settlement price and the bonded premiums/discounts. After the end of each trading day, the Exchange shall publish the information related to the Bonded EFPs made on the then-current day.
3. The seller Member shall deliver to the Exchange the common VAT invoice prior to the market close on the approval day of the Bonded EFPs. In case the seller Member fails to deliver the common VAT invoice prior to the market close of the seventh (7th) trading day after the approval day of the Bonded EFPs, the Exchange shall withhold the corresponding amount equal to five percent (5%) of the seller's payment after the market close on the then-current day, and collect the late fees from or confiscate such withholding amount in accordance with Article 24 of the Detailed Rules.

After the market close on the approval day of the Bonded EFPs, the Exchange shall make payment of the Bonded EFPs to the seller Member.

Payments of the Bonded EFPs = (delivery settlement price of the Bonded EFPs + bonded premiums/discounts) × quantity of bonded warehouse receipts applied for EFPs × trading unit

Delivery settlement price of the Bonded EFPs = [(settlement price of the contract of the latest delivery month on the day immediately preceding the application day − relevant costs) / (1 + import VAT rate) − consumption tax] / (1 + import duty rate)

Bonded premiums/discounts = (quality premiums/discounts + brand premiums/discounts + premiums/discounts of non-benchmark delivery warehouse compared with benchmark delivery warehouse) / (1 + the import VAT rate) / (1 + import duty rate)

The "relevant costs" in paragraph 4 of this Article shall include the costs and expenses related to customs clearance, quarantine inspection and agency services of the importation and it shall be separately published by the Exchange; the formula shall be applicable to the futures products against which the consumption tax is collected as per quantity and the customs duty is collected as per price.

1. After the market close on the approval day of the Bonded EFPs, the Exchange shall deliver to the buyer Member the standard warehouse receipt submitted by the seller Member, and issue a *Bonded Delivery Settlement Statement (for taxation and accounting purpose only)* to the seller and a *Bonded Delivery Settlement Statement (for accounting purpose only)* to the buyer. In addition to the price information, the *Bonded Delivery Settlement Statement* shall contain, among other things, name of warehouse, actual quantity, delivery time, delivery method ("EFPs" shall be noted in the delivery method) and the bonded premiums/discounts.

Section IV Rolling Delivery of Bonded Standard Warehouse Receipt

1. The handover day shall be the second trading day following the matching day (exclusive) of the rolling delivery. Prior to the market close on the handover day, the Member of buyer must make the remaining payments corresponding to its matched delivery month contract positions and handle the delivery formalities. The Member of seller shall submit to the Exchange the common VAT invoice.

Payment of bonded standard warehouse receipts = (bonded delivery settlement price + bonded premiums/discounts) × quantity of bonded standard warehouse receipts × trading unit

Bonded delivery settlement price = [(delivery settlement price − relevant costs) / (1 + import VAT rate) − consumption tax] / (1 + import duty rate)

Bonded premiums/premiums = (quality premiums/discounts + brand premiums/discounts + premiums/discounts of non-benchmark delivery warehouse compared with benchmark delivery warehouse) / (1 + import VAT rate) / (1 + import duty rate)

The Exchange shall publish the bonded delivery settlement price on the matching day for rolling delivery of the contract.

The "relevant costs" in paragraph 3 of this Article shall include the costs and expenses related to the customs clearance, quarantine inspection and agency services of the importation and it shall be separately published by the Exchange; the formula shall be applicable to the futures products against which the consumption tax is collected as per quantity and the customs duty is collected on the basis of their prices.

1. After the market close on the handover day, the Exchange shall deliver to the Member of buyer the bonded standard warehouse receipt submitted by the Member of seller, deliver to the Member of seller the payment of the bonded standard warehouse receipt, and shall issue a *Bonded Delivery Settlement Statement (for taxation and accounting purpose only)* to the seller and a *Bonded Delivery Settlement Statement (for accounting purpose only)* to the buyer. In addition to the price information, the *Bonded Delivery Settlement Statement* shall contain, among other things, name of the warehouse, actual quantity, delivery time, delivery method ("rolling delivery" shall be noted in the delivery method), and the bonded premiums/discounts.

If the Member of seller fails to deliver the common VAT invoice prior to the market close of the seventh (7th) trading day after the handover day, the Exchange shall withhold the corresponding amount equal to five percent (5%) of the seller's payments after the market close on the then-current day, and collect the late fees from or confiscate such withholding amount in accordance with Article 24 of the Detailed Rules.

1. In case of any adjustment of the national taxation policy, the Exchange may adjust and shall promptly publish the calculation formula of the bonded delivery settlement price.

Section V One-off Delivery of Bonded Standard Warehouse Receipt

1. Prior to the market close of the first (1st) trading day following the last trading day, the seller Member shall deliver to the Exchange all the standard warehouse receipts (including bonded standard warehouse receipts) corresponding to its positions of the contracts of the delivery month; and after the market close of the first (1st) trading day following the last trading day, the Exchange shall publish the delivery products and quantity of standard warehouse receipts (including bonded standard warehouse receipt) of any and all delivery warehouses.

Prior to the market close of the second (2nd) trading day following the last trading day, the buyer may submit a delivery intention declaration based on the information published by the Exchange. After the market close of the second (2nd) trading day following the last trading day, the Exchange shall match the standard warehouse receipts (including bonded standard warehouse receipt) with the buyer pursuant to Article 64 of the *Measures for Delivery Management of Dalian Commodity Exchange*.

Prior to the market close of the last delivery day, the buyer Member shall pay the balance corresponding to its positions of the contracts of the delivery month. The seller Member shall submit to the Exchange the common VAT invoice.

Payment of bonded standard warehouse receipts = (bonded delivery settlement price + Bonded premiums/discounts) × quantity of bonded standard warehouse receipts × trading unit

Bonded delivery settlement price = [(delivery settlement price - relevant costs) / (1 + import VAT rate) - consumption tax] / (1 + import duty rate);

Bonded premiums/discounts = (quality premiums/discounts + brand premiums/discounts + premiums/discounts of the non-benchmark delivery warehouse compared with benchmark delivery warehouse) / (1 + import VAT rate) / (1 + import duty rate)

The Exchange shall publish the bonded delivery settlement price on the last trading day of the contract.

The "relevant costs" in paragraph 5 of this Article shall include the costs and expenses related to customs clearance, quarantine inspection and agency services of the importation and it shall be separately published by the Exchange; the formula shall be applicable to the futures products against which the consumption tax is collected as per quantity and the customs duty is collected as per price.

1. After the market close on the last delivery day, the Exchange shall deliver to the buyer Member the bonded standard warehouse receipt submitted by the seller Member, deliver to the seller Member the payment of the bonded standard warehouse receipt, and shall issue a *Bonded Delivery Settlement Statement (for taxation and accounting purpose only)* to the seller and a *Bonded Delivery Settlement Statement (for accounting purpose only)* to the buyer. In addition to the price information, the *Bonded Delivery Settlement Statement* shall contain, among other things, name of warehouse, actual quantity, delivery time, delivery method ("one-off delivery" shall be noted in the delivery method), and the bonded premiums/discounts.

If the seller Member fails to deliver the common VAT invoice prior to the market close of the seventh (7th) trading days after the last delivery day, the Exchange shall withhold the corresponding amount equal to five percent (5%) of the seller's payments after the market close on the then-current day, and collect the late fees from or confiscate such withholding amount in accordance with Article 24 of the Detailed Rules.

1. In case of any adjustment of the national taxation policy, the Exchange may adjust and shall promptly publish the calculation formula of the bonded delivery settlement price.

Section VI Bonded Standard Warehouse Receipt of Iron Ore Used as Margins and OTC Pledge

1. The bonded standard warehouse receipt may be used as margins upon approval of the Exchange.

Where the bonded standard warehouse receipt is used as margins, at the time of daily settlement, the Exchange will take settlement price (after tax deduction) of the futures contracts of the latest delivery month of the product under such standard warehouse receipt on the then-current day as the benchmark price to calculate its market value. Before the market close on the then-current day, the settlement price (after tax deduction) of the futures contracts of the latest delivery month of the product under such bonded standard warehouse receipt on the previous trading day shall be taken as the benchmark price to calculate its market value.

Benchmark price of the bonded standard warehouse receipt when used as margins before the market close = [(settlement price of the futures contracts of the latest delivery month of the product on the previous trading day − relevant costs) / (1 + import VAT rate) − consumption tax] / (1 + import duty rate); benchmark price of the bonded standard warehouse receipt when used as margins at the settlement = [(settlement price of the futures contracts of the latest delivery month of the products on the then-current day − relevant costs) / (1 + import VAT rate) − Consumption tax] / (1 + import duty rate).

In addition to paragraphs 1 to 3 of this Article, other specific procedures for using the bonded standard warehouse receipt as margins shall be subject to the applicable provisions of the *Measures for Clearing Management of Dalian Commodity Exchange*.

The "relevant costs" in paragraph 3 of this Article shall include the costs and expenses related to customs clearance, quarantine inspection and agency services of the importation and it shall be separately published by the Exchange; the formula shall be applicable to the futures products against which the consumption tax is collected as per quantity and the customs duty is collected as per price.

1. The specific procedures for OTC pledge of the bonded standard warehouse receipt shall be subject to the regulatory provisions of the local customs for bonded delivery of iron ore and the applicable provisions of the Exchange.

Section VII Deregistration of Bonded Standard Warehouse Receipt

1. The deregistration procedures and general requirements of bonded standard warehouse receipt shall be subject to the *Measures for the Standard Warehouse Receipt Management of Dalian Commodity Exchange*, in additional to provisions of this Section.
2. Where the bonded standard warehouse receipt holder needs to conduct import customs clearance or transshipment exit, it shall notify the Exchange of such situation when deregistering the bonded standard warehouse receipt, and then conduct the import customs clearance or transshipment exit according to regulations of the local customs.

After the owner completes the pickup formalities, the bonded standard warehouse shall issue a bonded warehouse receipt list to the owner. The Exchange will then issue a *Bonded Delivery Settlement Statement (for customs clearance purpose only)* to the owner and simultaneously send the information related to such *Bonded Delivery Settlement Statement* to the corresponding customs through the electronic warehouse receipt system. The information will be deemed served once it is sent out.

The owner shall take the *Bonded Delivery Settlement Statement (for customs clearance purpose only)* to conduct import customs clearance with the local customs within ten (10) working days (inclusive of the tenth working day) following issuance of such statement. The name, quantity, price and other basic information of the commodities for clearance shall be consistent with such *Bonded Delivery Settlement Statement* and the bonded standard warehouse receipt list held by the owner.

If the deregistered bonded standard warehouse receipt is obtained by way of trading or other non-futures delivery methods, the Exchange shall not issue the *Bonded Delivery Settlement Statement (for customs clearance purpose only)*.

1. When conducting import customs clearance, the owner shall make declaration to the customs as per the delivery settlement price stated in the *Bonded Delivery Settlement Statement (for customs clearance purpose only)* plus the bonded premiums/discounts, for the customs to determine the duty-paid price of the iron ore, and shall pay the duty as per the applicable provisions of the customs.

**Chapter V Bill of Lading Delivery**

1. The content of iron ore bill of lading includes: buyer name, seller name, name of the port to store commodities, and name, brand, manufacturer, quantity, quality, location, status (duty-paid or bonded) of commodities, date of issuance and others.
2. On the day of notice, the seller Member will send the information including delivery site, expected date of arrival, brand, manufacturer, quantity, vessel name, bill of lading number, status (duty-paid or bonded) of commodities and other information to the Exchange throughthe electronic warehouse receipt system. After market close on the day of notice, the Exchange will send such information to the buyer Member through the electronic warehouse receipt system.
3. When both the buyer and the seller come to supervise the delivery on site, the seller shall provide the relevant import documents of iron ore to the buyer for verification of the iron ore brand.

In the event that the commodities are being loaded off the vessel when the buyer and the seller come to supervise the delivery on site, the seller shall provide the following documents among others:

1. certificate of analysis issued by the manufacturer which shall set out brand, quality, loading port, vessel name, bill of lading date, manufacturer and other information and shall be signed by the authorized person of the manufacturer, or a photocopy of such certificate of analysis certified by the buyer to be consistent with the original; or certificate of analysis issued by the inspection agency that has conducted quality inspection of the commodities at shipment which shall set out brand, quality, loading port, vessel name, bill of lading date, name of inspection agency and other information, and shall be signed by the authorized person of the inspection agency, or the photocopy of such certificate of analysis certified by the buyer to be consistent with the original; and
2. other documents required by the Exchange.

In the event that the commodities have been in port when the buyer and the seller come to supervise the delivery on site, the seller shall provide the following documents among others for directly imported iron ore:

1. certificate of analysis issued by the manufacturer which shall set out brand, quality, loading port, vessel name, bill of lading date, manufacturer and other information and shall be signed by the authorized person of the manufacturer, or a photocopy of such certificate of analysis; or certificate of analysis issued by the inspection agency that has conducted quality inspection of the commodities at shipment which shall set out brand, quality, loading port, vessel name, bill of lading date, name of inspection agency and other information, and shall be signed by the authorized person of the inspection agency, or a photocopy of such certificate of analysis;
2. title certificate issued by the freight forwarder affixed with its business seal, which shall set out brand, manufacturer, quantity, vessel name, voyage number or date of arrival, bill of lading number, unloading port, owner of commodities and other information;
3. delivery order issued by the shipping agent affixed with its business seal, which shall set outbrand, quantity, vessel name, voyage number or date of arrival, bill of lading number, unloading port and other information; or a photocopy of the delivery order certified by the port to be consistent with the original and affixed with business seal of the port, with "consistent with the original" written on it;
4. stack position statement issued by the unloading port affixed with its business seal, which shall set out stack number, quantity, vessel name, voyage number or date of arrival, bill of lading number, freight forwarder, shipping agent and other information; and
5. other documents required by the Exchange.

For iron ore processed at port, the seller shall provide the following documents including but not limited to:

1. certificate of analysis issued by the manufacturer which shall set out brand, quality, delivery order number, processing port, manufacturer and other information and shall be signed by the authorized person of the manufacturer or affixed with company seal of the manufacturer, or a photocopy of such certificate of analysis;
2. title certificate issued by the freight forwarder affixed with its business seal, which shall set out brand, manufacturer, quantity, delivery order number, processing port, owner of commodities and other information;
3. delivery order issued by the manufacturer signed by its authorize person or affixed with its company seal, which shall set out brand, quantity, delivery order number, processing port and other information; or the photocopy of such delivery order certified by the port to be consistent with the original and affixed with business seal of the port, with "consistent with the original" written on it;
4. stack position statement issued by the processing port affixed with its business seal, which shall set out stack number, quantity, delivery order number, freight forwarder, shipping agent and others; and
5. other documents required by the Exchange.
6. For handing-over of duty-paid commodities, the buyer, the seller and the port shall jointly confirm on handing-over of the commodities after completion of brand verification and quality inspection by the buyer, and completion of customs clearance by the seller; for handing-over of bonded commodities, the buyer, the seller and the port shall jointly confirm on handing-over of the commodities after completion of brand verification and quality inspection by the buyer.
7. If the owner has objection on brand of the commodities, the owner may raise such objection to the Exchange within seven (7) working days following completion of sampling and prior to the trading day immediately preceding the last trading day.
8. In the event that the Exchange has not received the *Notice on Confirmation of Handing-over* before market close on the last trading day, and the parties fail to confirm on handing-over of the commodities on time due to dispute on iron ore brand, such situation should be processed as below:
9. if the Exchange determines that the iron ore brand is authentic, the parties shall continue the delivery process; or
10. if the Exchange determines that the iron ore brand is fake, the seller shall pay to the buyer punitive liquidated damages equivalent to twenty percent (20%) of the contract value calculated by delivery settlement price, refund the advance payment for delivery to the buyer, and the delivery will be terminated.

**Chapter VI Brand Dispute**

1. If the buyer has objection on the iron ore brand and raises such objection to the Exchange, the buyer shall submit written application to the Exchange, which shall specify the reasons to question the brand, including:
2. problem on documentation;
3. problem on qualities of the commodities;
4. problem on form, color and other aspects of the commodities; and
5. other reasons.

The dispute fee shall be prepaid by the owner. The dispute fee shall be borne by the buyer if the Exchange determines the iron ore brand is authentic, otherwise it shall be borne by the designated delivery warehouse. The standard of dispute fee will be promulgated by the Exchange separately.

1. Within ten (10) trading days from the day of accepting the dispute, the Exchange will determine on authenticity of the brand according to the investigation result of the iron ore brand investigation group. The rules on member selection, investigation procedure, supervision and management and others of the iron ore brand investigation group will be prescribed by the Exchange separately.
2. For delivery under standard warehouse receipt, the seller shall continue loading out if the Exchange determines that the iron ore brand is authentic; the designated delivery warehouse may negotiate with the buyer to solve the problem if the Exchange determines that the iron ore brand is fake. If the negotiation fails, the designated delivery warehouse shall replace the commodities in dispute with those fulfilling the requirements under the contract for the buyer within fifteen (15) calendar days following receipt of the Exchange's ruling on authenticity of the iron ore brand, and shall bear the relevant losses. If the designated delivery warehouse fails to replace the commodities on time, it shall indemnify all losses suffered by the buyer.

**Chapter VII Supplementary Provisions**

1. Any violation of the Detailed Rules shall be handled by the Exchange subject to the applicable provisions of the *Measures against Rule Violations of Dalian Commodity Exchange* and other rules.
2. The Exchange reserves the right to interpret the Detailed Rules.
3. The Detailed Rules shall come into force on July 1, 2019.

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