**Detailed Rules of Zhengzhou Commodity Exchange for p-Xylene Futures**

**Chapter 1 General Provisions**

**Article 1** These *Detailed Rules* are made in accordance with the *Trading Rules of Zhengzhou Commodity Exchange* and the p-xylene futures (“**PX**”) contract to regulate PX-related activities on the Zhengzhou Commodity Exchange (the “**Exchange**”).

**Article 2** The Exchange, Members, clients, delivery warehouses, factory warehouses, Designated Quality Inspection Agencies, and other participants of the futures market shall comply with these *Detailed Rules*.

**Chapter 2 Trading**

**Article 3** PX contract has a contract size of 5 metric tons/lot.

**Article 4** PX contract has a price quotation of Chinese Yuan (RMB)/metric ton.

**Article 5** PX contract has a minimum price fluctuation of 2 yuan/metric ton.

**Article 6** PX contract has the following delivery months: every month from January to December.

**Article 7** PX contract has a minimum order size of 1 lot, maximum order size of 1,000 lots for limit orders, and maximum order size of 200 lots for market orders.

The Exchange may adjust the minimum order size, maximum limit order size, and maximum market order size based on market conditions. The specific thresholds will be separately announced by the Exchange.

**Article 8** PX contract is traded during night session hours and day session hours. The night session hours are 21:00 – 23:00. The day session hours are 9:00 – 11:30 and 13:30 – 15:00, with a break at 10:15 – 10:30.

Any suspension or cancellation of the night session or adjustment of the night session hours will be announced by the Exchange.

**Article 9** PX contract has the following Last Trading Day: the 10th trading day of the delivery month.

**Article 10** PX contract has the following product code: PX.

**Chapter 3 Delivery**

**Section 1 General Rules**

**Article 11** PX may be delivered by exchange of futures for physical (“**EFP**”), delivery with standard delivery warehouse receipts, and delivery with standard factory warehouse receipts.

Rolling Delivery for PX is conducted through either Response Matching or Organized Matching.

The specific delivery procedures are governed by the applicable provisions of the *Futures Delivery Rules of Zhengzhou Commodity Exchange* and these *Detailed Rules*.

**Article 12** PX contract has a delivery unit of 5 metric tons.

**Article 13** PX contract has the following Last Delivery Day: the 13th trading day of the delivery month.

**Article 14** The standard warehouse receipts for PX may be classified into standard delivery warehouse receipts and standard factory warehouse receipts.

The standard warehouse receipts for PX are all general standard warehouse receipts.

**Article 15** The standard warehouse receipts for PX registered on or before the 15th trading day of January, March, May, July, September, or November of each year shall be cancelled on or before the 15th trading day of January, March, May, July, September, or November of the same year.

**Article 16** Delivery of PX shall be made against a special VAT invoice.

**Article 17** The delivery warehouses, factory warehouses, and relevant premiums and discounts for PX are determined and published by, and subject to the adjustment of, the Exchange.

**Article 18** The premium or discount for a delivery warehouse or factory warehouse for PX is transferred when the corresponding standard warehouse receipts are registered or cancelled; the corresponding special VAT invoice shall be issued by the registrant to the cancelling party under the supervision of the delivery warehouse or factory warehouse. The delivery warehouse or factory warehouse will collect a deposit based on the applicable VAT rate, which deposit shall be returned following the issuance of the special VAT invoice. If there are premiums and discounts in the pick-up area of the factory warehouse or quantity shortage occurs at load-out, the corresponding invoice shall be issued by the factory warehouse to the cancelling party.

**Article 19** The benchmark delivery price of PX is the tax-included price at which the benchmark deliverable is delivered through a load-out from a storage tank at a benchmark delivery point.

**Article 20** In a delivery with standard delivery warehouse receipts, the registrant of standard warehouse receipts for PX shall bear all the expenses incurred before the commodity is transported to the designated storage tanks as well as the expenses incurred from load-in/out; the pick-up person shall bear all the expenses incurred after the commodity is loaded onto the truck or ship or injected into pipelines. In a delivery with standard factory warehouse receipts, the factory warehouse shall bear all the expenses incurred before the commodity is transported to the docks or storage tanks in the designated pick-up area; and the pick-up person shall bear the expenses incurred from tank filling.

The rates of delivery fees, storage fees, load-in and load-out fees, inspection fees, and other delivery-related fees will be separately announced by the Exchange.

**Article 21** Any client that is not qualified to produce, store, use, deal in, or transport p-xylene shall not take part in the delivery of p-xylene.

**Article 22** p-Xylene shall be transported in a manner that complies with national regulations on the transport of dangerous chemicals.

**Article 23** Any matter in relation to the creation, negotiation, and cancellation of standard warehouse receipts for PX that is not covered by these *Detailed Rules* is governed by the *Rules of Zhengzhou Commodity Exchange on Standard Warehouse Receipts*.

**Section 2 Delivery Standard**

**Article 24** The delivery of PX is governed by *Petrochemical Industry Standard of the People’s Republic of China “Petroleum p-Xylene”* (SH/T 1486.1-2008).

**Article 25** The benchmark deliverable is “Premier Grade” p-xylene under *Petrochemical Industry Standard of the People’s Republic of China “Petroleum p-Xylene”* (SH/T 1486.1-2008), with chlorine content ≤1.0mg/kg.

**Article 26** The quality indicators, test methods, inspection rules, packaging, package markings, transport, storage and safety requirements of p-xylene shall be implemented in accordance with *Petrochemical Industry Standard of the People’s Republic of China “Petroleum p-Xylene”* (SH/T 1486.1-2008) and relevant normative references. Chlorine content shall be tested in accordance with *Petrochemical Industry Standard of the People’s Republic of China “Aromatic Hydrocarbons for Industrial Use—Determination of Organic Chloride—Microcoulometric Method”*(SH/T 1757-2006).

**Section 3 Delivery with Standard Delivery Warehouse Receipts**

**Article 27** The scheduled arrival date shall be declared to and a load-in deposit of RMB 160 yuan/metric ton shall be paid to the delivery warehouse at the submission of a delivery intention for PX. The scheduled arrival date shall not exceed forty-five (45) calendar days after the delivery intention is handled. After confirmation, the delivery warehouse shall issue the Load-in Notice to the registrant of standard warehouse receipts.

**Article 28** The registrant of standard warehouse receipts shall make preparation for load-in in accordance with the scheduled arrival date indicated in the Load-in Notice, and the delivery warehouse shall provide cooperation. If the commodity is not transported to the delivery warehouse within the prescribed time limit, the delivery warehouse will no longer guarantee the warehouse capacity, and the load-in deposit of the commodity not loaded in will not be returned, unless otherwise agreed upon by both parties.

**Article 29** With respect to the load-in of domestically produced p-xylene, such supporting materials as Certificate of Quality or Certificate of Title Transfer issued by the manufacturer of the current shipment of product shall be presented to the delivery warehouse to certify that the product meets the standard for delivery. The Certificate of Quality shall indicate the manufacturer, date of production, applicable quality standards, and quality inspection results for the current shipment, among other information.

With respect to the load-in of overseas-produced p-xylene, such supporting materials for the current shipment of product as Bill of Lading, Certificate of Title Transfer, PRC Customs Declaration Form for Import Goods, and Notice of Permission for Removal of Import Goods shall be presented to the delivery warehouse. The registrant of standard warehouse receipts shall sign a Guarantee of Lawful, Truthful, and Valid Documentations for Imported p-Xylene for the documentations it provides.

The delivery warehouse shall review the load-in documentations specified in the foregoing paragraphs as well as the registrant’s qualifications to deal in dangerous chemicals.

**Article 30** At the load-in of p-xylene transported by ship or pipeline, the weight shall be as indicated by the measuring stick into the storage tank of the delivery warehouse. The registrant of standard warehouse receipts may engage a Designated Quality Inspection Agency or the delivery warehouse to perform weight inspection. Where weight inspection is performed by a Designated Quality Inspection Agency, the delivery warehouse shall provide cooperation and any expenses incurred shall be borne by the registrant. At the load-in of p-xylene transported by truck, the weight shall be as indicated by the truck scale and the delivery warehouse shall be responsible for the weight inspection.

Subject to the approval of the Exchange, the weight inspection may be conducted with another sophisticated weighing apparatus recognized by the relevant national quality and technical supervision authority.

**Article 31** The load-in quality inspection of p-xylene is to be conducted by a Designated Quality Inspection Agency; the inspection fees shall be borne by the registrant of the corresponding standard warehouse receipts. The Designated Quality Inspection Agency shall take samples at load-in. Each sample shall be partitioned into three parts. One part shall be selected at random for inspection; the other two parts shall be signed and sealed by both the registrant and the delivery warehouse, and respectively kept by the Designated Quality Inspection Agency and the delivery warehouse. The delivery warehouse shall issue the results of inspection and notify the Designated Quality Inspection Agency within three (3) business days of completion of sampling.

Any registrant or delivery warehouse that objects to the results of load-in quality inspection may request the Exchange for a re-inspection. The specific procedures are governed by the “Load-in Re-inspection of Delivery Warehouse Commodities” section under the *Rules of Zhengzhou Commodity Exchange on Standard Warehouse Receipts*.

**Article 32** The registrant of standard warehouse receipts shall be present at the weight inspection and load-in sampling of p-xylene to monitor the process. The delivery warehouse and the registrant shall confirm the inspection results with their signatures and seals and are jointly responsible for the quality of the commodity loaded in. Any commodity without the signatures and seals of the delivery warehouse and registrant shall not be delivered against futures products.

After the commodity is loaded in, the delivery warehouse shall record in a file such information as the name, contact person, and contact information of the registrant; load-in quantity; manufacturer; and the tank location, which information shall be confirmed by the registrant with signature.

**Article 33** For any p-xylene that is already loaded in, if the corresponding prospective registrant can provide, and the delivery warehouse recognizes, the inspection report issued by the relevant Designated Quality Inspection Agency which certifies that the p-xylene meets the standard for delivery, the registrant may request to register the corresponding standard warehouse receipts.

**Article 34** Where a tank contains a mixture of p-xylene for futures delivery and p-xylene for spot transactions, the relevant delivery warehouse shall ensure that the entire tank meets the standard for futures delivery. Any p-xylene not meeting this standard may not be stored in a mixed tank or used to register for standard warehouse receipts.

**Article 35** Upon the cancellation of a standard delivery warehouse receipt for p-xylene, the pick-up person shall, within ten (10) business days after the Exchange issues the Pick-up Notice, visit the delivery warehouse to complete the pick-up procedures with his ID card, certificate of identity and authority issued by his employer, and the verification code for the Pick-up Notice; verify the quality of the commodity and determine the means of transport and scheduled pick-up date; and pay the applicable fees in advance.

The pick-up person shall make preparation for the pick-up in accordance with the scheduled pick-up date, and the delivery warehouse shall cooperate with the pick-up person to begin the shipping process and stop charging the storage fees for any commodity already loaded onto such transport vehicles.

The pick-up procedures and related matters shall be re-confirmed in reference to the preceding paragraph and all expenses incurred shall be borne by the pick-up person if shipment is delayed due to such reasons as a change of the means of transport or pick-up date by the pick-up person, missing pick-up documentations, late payment of relevant fees, or special shipping instructions.

**Article 36** The load-out weight inspection of p-xylene shall be jointly conducted by the delivery warehouse and the pick-up person in reference to the rules on load-in weight inspection.

Any quantity shortage at load-out shall be made up by the delivery warehouse in a timely manner; failing which, the delivery warehouse shall compensate the pick-up person for the price of the missing commodity based on the highest final settlement price of the PX contract in the nearby month up to and including the date the Pick-up Notice is issued.

**Article 37** The delivery warehouse and the pick-up person shall take samples from the storage tanks of the delivery warehouse at load-out. Each sample shall be partitioned into two parts. One shall be selected at random for use by the pick-up person. The other shall be signed and sealed by both parties, and kept by the delivery warehouse as the sample for re-inspection when a quality dispute arises. Any pick-up person that objects to the quality of the p-xylene may request the Exchange for a one-time re-inspection with the payment of the re-inspection fees in advance. Such objection shall be raised within ten (10) business days after the load-out. The specific procedures are governed by the “Load-out Re-inspection of Delivery Warehouse Commodities” section under the *Rules of Zhengzhou Commodity Exchange on Standard Warehouse Receipts*.

**Section 4 Delivery with Standard Factory Warehouse Receipts**

**Article 38** The maximum number of standard warehouse receipts registerable by a PX factory warehouse is determined by, and subject to the adjustment of, the Exchange.

A factory warehouse for p-xylene shall provide registration security in accordance with the rules of the Exchange before requesting to register standard warehouse receipts.

**Article 39** The minimum load-out quantity of PX factory warehouse shall be determined and announced by, and subject to the adjustment of, the Exchange. If the actual load-out quantity is less than the minimum load-out quantity and cannot be made up by spot commodity, the factory warehouse shall not handle the cancellation of standard warehouse receipts and pick-up procedures, unless otherwise agreed upon by the pick-up person and the factory warehouse.

**Article 40** The delivery place of a standard factory warehouse receipt for p-xylene is the pick-up point selected by the pick-up person within the pick-up area of the factory warehouse, and the pick-up area and relevant premiums and discounts shall be announced by the Exchange. If there is a premium or discount, the two parties shall settle the premium or discount by themselves in accordance with such standards stipulated by the exchange.

The delivery may be made in other areas with the agreement of the pick-up person and the factory warehouse, and the specific delivery matters and related expenses shall be determined by both parties through consultation.

Upon the cancellation of a standard factory warehouse receipt for p-xylene, the pick-up person shall, within ten (10) business days after the Exchange issues the Pick-up Notice, visit the factory warehouse to complete the pick-up procedures with his ID card, certificate of identity and authority issued by his employer, and the verification code for the Pick-up Notice, and verify the quality of the commodity and determine the scheduled arrival date and the means of transport. The scheduled arrival date shall not exceed seventy-five (75) calendar days after the pick-up procedures are handled, unless otherwise agreed upon by both parties. The two parties shall come to an agreement on the above delivery matters and sign a shipment agreement.

Within ten (10) business days from the expiration day of a standard warehouse receipt for p-xylene, if the actual load-out quantity is less than the minimum load-out quantity, the pick-up person may go through the pick-up procedures, and the factory warehouse shall randomly select the pick-up point within the pick-up area of the factory warehouse. Other related delivery matters shall be dealt with in reference to the provisions of the preceding paragraph.

**Article 41** The factory shall handle the transport of p-xylene in accordance with the pick-up procedures and the shipment agreement. If the p-xylene is transported by truck, the trucks shall arrive at the pick-up point on the agreed arrival date; if the p-xylene is transported by pipeline, the pipelines of the factory warehouse shall have the conditions for the opening of valves on the agreed arrival date; if the p-xylene is transported by ship, the factory warehouse shall update the actual arrival date to the pick-up person in a timely manner in accordance with the scheduled arrival date and shipment schedule.

The arrival time limit in the preceding paragraph does not apply if the commodity cannot be delivered as planned due to such reasons as a change of the pick-up point, missing pick-up documentations, late payment of relevant fees, or special shipping instructions. The pick-up procedures and related matters shall be re-confirmed in reference to the preceding paragraph and all expenses incurred shall be borne by the pick-up person

**Article 42** The load-out weight inspection and quality inspection of p-xylene shall be jointly conducted by the factory warehouse and the pick-up person, and the expenses incurred shall be borne by the factory warehouse. At the load-out of p-xylene by ship, the weight measured during ship inspection at the port of unloading shall be conclusive; at the load-out of p-xylene by truck or pipeline, the weight inspection shall be respectively as indicated by truck scale or pipeline flow meters. The factory warehouse may engage a Designated Quality Inspection Agency to conduct weight inspection, and the pick-up person shall provide cooperation. The quality inspection shall be conducted before the commodity is unloaded, the factory warehouse shall take samples from the storage tankers transported by truck, ship, or from pipelines. Each sample shall be partitioned into three parts. One part shall be selected at random for inspection and the other two parts shall be signed and sealed by both parties, and kept by the factory warehouse as the sample for re-inspection when a quality dispute arises. The Designated Quality Inspection Agency shall issue the results of inspection and notify the factory warehouse within three (3) business days of completion of sampling.

Any quantity shortage at load-out shall be made up by the factory warehouse in a timely manner; failing which and the missing quantity is less than 5%, the factory warehouse shall compensate the pick-up person for the price of the missing commodity based on the highest final settlement price of the PX contract in the nearby month up to and including the actual arrival date.

The pick-up person shall be present at the delivery location to monitor the delivery process, or be deemed to have accepted the load-out weight.

**Article 43** Where the pick-up person or factory warehouse objects to the weight or quality of the commodity, they shall jointly determine a solution; failing which, the pick-up person or factory warehouse may request the Exchange for a one-time re-inspection with the requester’s payment of the re-inspection fee and other relevant fees in advance. Objection over weight shall be raised when the commodity is delivered; objection over quality shall be raised within five (5) business days from the day when the commodity is delivered. The procedures for the re-inspection are governed by the “Load-out Re-inspection of Factory Warehouse Commodities” section under the *Rules of Zhengzhou Commodity Exchange on Standard Warehouse Receipts*.

**Article 44** Where the factory warehouse or pick-up person fails to complete the delivery of the commodity as planned, they shall discuss a solution in a timely manner and appropriately adjust the shipment schedule. The party at fault shall additionally pay a late fee. The amount of late fee = Σ[5 yuan/metric ton/day × days delayed × commodity quantity yet to be shipped or picked up].

Where the factory warehouse fails to ship the commodity in full within fifteen (15) calendar days from the agreed final arrival date, the pick-up person may request the factory warehouse to terminate shipment and pay liquidated damages. The amount of liquidated damages = highest final settlement price of the PX contract in the nearby month × commodity quantity yet to be shipped × 120%.

The shipment or pick-up date can be postponed if the shipment or pick-up is delayed by weather or other force majeure events, and the factory warehouse or pick-up person is not liable for the late fee or liquidated damages.

The factory warehouse and the pick-up person shall properly keep the commodity shipment schedule, agreements, and shipment- and pick-up-related documentations as the basis for settling potential disputes.

**Article 45** Where a factory warehouse defaults on its delivery obligations and fails to pay or fully pay the compensation or liquidated damages, the Exchange may compensate the pick-up person by disposing of the security provided by the factory warehouse.

**Article 46** Upon the completion of shipment and the Exchange’s written confirmation of the fulfillment of quality and quantity obligations by the factory warehouse, the Exchange will return the properties or documents provided by the factory warehouse as security at the factory warehouse’s request.

**Chapter 4 Risk Management**

**Article 47** PX contract has a minimum Trading Margin rate of 5% of contract value.

The Trading Margin rate of PX contract varies as follows:

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| --- | --- |
| **Trading period** | **Trading Margin rate** |
| From listing to the last calendar day of the 2nd month preceding the delivery month | 5% of contract value |
| From the 1st calendar day to the 15th calendar day of the month preceding the delivery month | 10% of contract value |
| From the 16th calendar day to the last calendar day of the month preceding the delivery month | 15% of contract value |
| Delivery month | 20% of contract value |

**Article 48** PX contract has a price limit of ±4% of the settlement price of the preceding trading day.

**Article 49** The position limit of a particular PX contract varies as follows:

|  |  |
| --- | --- |
| **Trading period** | **Maximum long position or short position held by a non-futures brokerage Member or client (lot)** |
| From listing to the last calendar day of the 2nd month preceding the delivery month | 5,000 |
| From the 1st calendar day to the 15th calendar day of the month preceding the delivery month | 3,000 |
| From the 16th calendar day to the last calendar day of the month preceding the delivery month | 2,000 |
| Delivery month | 1,000  (0 for individuals) |

“Position limit” as used in this Article refers to the maximum size of speculative positions (calculated on a single-counted basis) in a given futures contract that a Member or client is permitted to hold by the Exchange.

**Article 50** Where the Exchange adjusts the Trading Margin rate or price limit of PX contract in accordance with the *Risk Control Rules of Zhengzhou Commodity Exchange* or other rules, such adjusted values shall prevail.

**Chapter 5 Ancillary Provisions**

**Article 51** Any violation of these *Detailed Rules* will be handled in accordance with the *Rules of Zhengzhou Commodity Exchange on Violations* and other applicable Rules of the Exchange.

**Article 52** Any matter not covered by these *Detailed Rules* is governed by the relevant Rules of the Exchange.

**Article 53** The Exchange reserves the right to interpret these *Detailed Rules*.

**Article 54** These *Detailed Rules* take effect on February 6, 2024.

(This English version is for reference ONLY. In case of any inconsistency between the different language versions, the Chinese version prevails.)