**Detailed Rules of Zhengzhou Commodity Exchange for Rapeseed Meal Futures**

**Chapter 1 General Provisions**

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

**Article 2** The Exchange, Members, overseas brokers, 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** RM contract has a contract size of 10 metric tons/lot.

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

**Article 5** RM contract has a minimum price fluctuation of 1 yuan/metric ton.

**Article 6** RM contract has the following delivery months: January, March, May, July, August, September, November.

**Article 7** RM 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** RM 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** RM contract has the following Last Trading Day: the 10th trading day of the delivery month.

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

**Chapter 3 Delivery**

**Section 1 General Rules**

**Article 11** RM may be delivered by exchange of futures for physical, delivery with standard delivery warehouse receipts, and delivery with standard factory warehouse receipts. Imported rapeseed meal is delivered through factory warehouses.

Rolling Delivery for RM is conducted through Response 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** RM contract has a delivery unit of 10 metric tons.

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

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

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

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

**Article 16** Delivery of RM shall be made against a general VAT invoice.

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

**Article 18** The premium or discount for substitute deliverable and for a delivery warehouse or factory warehouse for RM is transferred when the corresponding standard warehouse receipts are registered or cancelled; the corresponding general 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 general VAT invoice.

**Article 19** The benchmark delivery price of RM is the tax-included price (including packaging fees) at which the benchmark deliverable is delivered through a load-out from a benchmark delivery warehouse onto a truck.

**Article 20** The registrant of a standard warehouse receipt shall bear all the expenses incurred before the commodity is transported to the designated storage area in the delivery warehouse as well as the expenses from loading the commodity onto the truck at load-out; the pick-up person shall bear all the expenses incurred after the commodity is loaded onto the truck.

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** The cost of packaging materials for rapeseed meal is included in the price of the corresponding futures contract and is not charged separately.

**Article 22** Any matter in relation to the creation, negotiation, and cancellation of standard warehouse receipts for RM that is not covered by these *Detailed Rules* are governed by the *Rules of Zhengzhou Commodity Exchange on Standard Warehouse Receipts*.

**Section 2 Delivery Standard**

**Article 23** The delivery of RM is governed by national standards and these *Detailed Rules*.

**Article 24** The benchmark deliverable is rapeseed meal meeting the quality standards for Grade IV solvent-extracted rapeseed oil under *National Standard of the People’s Republic of China “Rapeseed Meal (Solvent) for Feedstuff”* (GB/T 23736-2009) with protein solubility in potassium hydroxide no lower than 35.0%. There are no requirements for crude fat and lysine.

**Article 25** The substitute deliverables and their premiums and discounts are as follows:

(1)Protein solubility in potassium hydroxide ≥ 35.0% and 34.5% ≤ crude protein < 35.0% at a discount of RMB 35 yuan/metric ton; 34.0% ≤ crude protein < 34.5% at a discount of RMB 70 yuan/metric ton, provided other quality indicators meet Grade IV standards under GB/T 23736-2009 (excluding crude fat and lysine, which have no requirement).

(2)Imported rapeseed meal meeting the quality specifications for benchmark deliverable may be used as a substitute at a discount of RMB 50 yuan/metric ton. Imported rapeseed meal meeting the quality specifications for substitute deliverable under item (1) of this Article may be used as a substitute with an additional discount of RMB 50 yuan/metric ton from the discount levels in item (1). There are no requirements for the shape of the imported rapeseed meal. The permitted countries of origin for imports are governed by the announcements of the Exchange.

**Article 26** Type 95 rapeseed meal is not deliverable against RM.

**Article 27** Rapeseed meal has the following packaging requirements: The packaging material shall be new woven bags free of holes and leakage; toxic materials, grease, and mildew; and serious contamination from such sources as coal ash, lime, iron rust, mud, and water.

The woven bags for domestic rapeseed meal shall indicate the name, address, and telephone of the manufacturer; the name and net weight (kg) of the product; and whether it is produced from genetically modified product. The manufacturer shall have obtained the Certificate of Qualification of Animal Feed Manufacturer. A tag shall be sewed on each woven bag, printed with the following information: the quality standards observed, quality indicators, production date, and expiration date (which shall be at least 6 months from the production date).

The packaging specifications shall be consistent for each shipment of rapeseed meal delivered by the same client.

Imported rapeseed meal is stored and loaded out in bulk.

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

**Article 28** A load-in deposit of RMB 30 yuan/metric ton shall be paid to the delivery warehouse at the submission of a delivery intention for RM.

**Article 29** The Load-in Notice issued by an RM delivery warehouse is valid for forty (40) calendar days.

**Article 30** The standard warehouse receipts for rapeseed meal registered on or after the 16th trading day of March, July, or November of each year shall respectively cover commodities with a production date no earlier than March 1, July 1, or November 1 of the same year.

**Article 31** Any rapeseed meal that is contained in packaging that shows signs of moisture or leakage; has caked; or has developed an odor shall not be loaded in.

**Article 32** A delivery warehouse conducts weight inspection on rapeseed meal at load-in. The weight inspection is conducted with the vehicle driving over a truck scale at the delivery warehouse.

**Article 33** The load-in quality inspection of rapeseed meal is organized by the delivery warehouse. No standard warehouse receipt shall be registered for any commodity found during the inspection to be incompliant with the standards for delivery. No standard warehouse receipt shall be registered for any portion of commodity that is found during load-in to be incompliant with the standards for delivery.

Sampling for quality inspection shall in principle be conducted by stack location. For the same batch of commodity produced by the same manufacturer, one sample shall be taken for every 200 metric tons of rapeseed meal and for any remaining quantity less than 200 metric tons. Each sample shall be immediately partitioned into two parts of 1 kg each. One part shall be selected at random by the delivery warehouse for inspection; the other shall be sealed and signed by both the delivery warehouse and the registrant of the standard warehouse receipt, and securely kept by the delivery warehouse.

The delivery warehouse shall issue the results of inspection within twenty-four (24) hours of completion of sampling for each shipment, and notify the registrant in a timely manner.

Any registrant 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 34** The registrant of standard warehouse receipts shall be present at the weight inspection and load-in sampling of rapeseed meal 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 storehouse and stack location, which information shall be confirmed by the registrant with signature.

**Article 35** Upon the cancellation of a standard delivery warehouse receipt for rapeseed meal, 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 pay the applicable fees in advance.

Where the pick-up person provides his own transport vehicles, the delivery warehouse shall, as of the date that it is visited by the pick-up person with the Pick-up Notice to arrange for the load-out and the transport vehicles arrive at the delivery warehouse, begin the shipping process and stop charging the storage fees for any commodity already loaded onto such transport vehicles.

Where the pick-up person requests the delivery warehouse to handle the transport of the commodity, the delivery warehouse shall ship the commodity within ten (10) calendar days by trucks or ships or twenty (20) calendar days by railcars from the day when the pick-up person contacts the delivery warehouse with the Pick-up Notice to arrange for the load-out, designates the destination, and pays the relevant fees (including but not limited to rail freight forwarding charges and terminal handling charges) in advance. Any delivery warehouse that is not able to ship the commodity within the prescribed time limit may not charge storage fees for the period after the time limit.

The shipping time limit in the preceding paragraph does not apply if shipment is delayed due to such reasons as a change of the means of transport or shipment 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 rapeseed meal shall be jointly conducted by the delivery warehouse and the pick-up person in reference to the rules on load-in weight inspection. The weight of rapeseed meal to be loaded out shall additionally correspond to the weight calculated at load-in by the number of woven bags.

**Article 37** Quantity loss due to moisture content tolerance of rapeseed meal at load-out shall be borne by the pick-up person; quantity loss not attributable to loss of moisture content shall be borne by the delivery warehouse. The fees for testing moisture content at load-out are borne by the delivery warehouse.

Moisture content tolerance = pick-up quantity × (actual moisture content at load-in − actual moisture content at pick-up) / (1 − actual moisture content at pick-up).

For quantity loss not attributable to loss of moisture content, 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 RM contract in the nearby month up to and including the date the Pick-up Notice is issued.

**Article 38** Any pick-up person that objects to the quality of the rapeseed meal at load-out 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 Pick-up Notice is issued. 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*.

**Article 39** Rapeseed meal with up to 0.5 percentage points less crude protein content at load-out compared with load-in is deemed deliverable.

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

**Article 40** The maximum number of standard warehouse receipts registerable by a rapeseed meal factory warehouse is determined by, and subject to the adjustment of, the Exchange.

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

**Article 41** Upon the cancellation of a standard factory warehouse receipt for rapeseed meal, 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; verify the quality of the commodity and determine the means of transport; and pay the applicable fees in advance.

The pick-up person shall, at the time of pick-up, come to an agreement with the factory warehouse on the shipment speed and the load-out completion time. If no agreement can be reached, the factory warehouse shall comply with the daily shipment volume approved by the Exchange.

In these *Detailed Rules*, “daily shipment volume” refers to the minimum quantity of futures deliverable ready for shipment by a factory warehouse within a 24-hour period. The daily shipment volume of a factory warehouse is determined by and subject to the adjustment of the Exchange.

**Article 42** Unless otherwise agreed with the pick-up person, a factory warehouse shall begin shipping the commodity within three (3) calendar days after the pick-up procedures are duly completed. The pick-up person may either pick up the commodity personally at the warehouse or request the factory warehouse to ship it on his behalf.

The shipping time limit in the preceding paragraph does not apply if shipment is delayed due to such reasons as a change of the means of transport or shipment date by the pick-up person, missing pick-up documentations, late payment of relevant fees, or special shipping instructions.

**Article 43** At the load-out of imported rapeseed meal, the factory warehouse shall present to the pick-up person the certificate of quality issued by the relevant overseas quality inspection agency and photocopy of the inspection and quarantine certificate for imported products issued by China’s customs, both of which shall be affixed with its company seal.

**Article 44** The load-out weight inspection of rapeseed meal from a factory warehouse shall be jointly conducted by the pick-up person and the factory warehouse, with the weight obtained by the factory warehouse being conclusive. Load-out shall be conducted without shortage in weight.

Any quantity shortage at load-out shall be made up by the factory 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 RM contract in the nearby month up to and including the date the Pick-up Notice is issued.

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 45** Unless otherwise agreed with the pick-up person, a factory warehouse shall ensure the commodity delivered meets the quality specifications of the Exchange for delivery.

At the time of load-out, the factory warehouse shall take samples in the presence of the pick-up person before the commodity is loaded onto the buyer’s transport vehicles, which samples shall be jointly confirmed and then jointly sealed by the parties. Each sample is to be partitioned into three parts, with one kept by the pick-up person and two by the factory warehouse. The samples shall be retained by the factory warehouse for thirty (30) calendar days after shipment and will serve as the basis for settling potential quality disputes.

**Article 46** 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 before load-out; objection over quality shall be raised within five (5) business days of load-out. 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 47** Where the factory warehouse or pick-up person fails to ship or pick up the commodity as planned, they shall discuss a solution in a timely manner and appropriately adjust the shipment speed or schedule. 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 five (5) calendar days from the agreed final shipment 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 RM contract in the nearby month × commodity quantity yet to be shipped × 120%.

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

The factory warehouse and 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 48** Where more than one pick-up person takes delivery at the same time, the factory warehouse may arrange the shipment in accordance with such factors as the time scheduled with the pick-up persons and the completion time of the pick-up procedures.

**Article 49** 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 50** 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 51** RM contract has a minimum Trading Margin rate of 5% of contract value.

The Trading Margin rate of RM contract varies as follows:

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

**Article 52** RM contract has a price limit of ±4% of the settlement price of the preceding trading day.

**Article 53** The position limit of a particular RM contract varies as follows:

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| --- | --- | --- |
| **Trading period** | **Maximum long position or short position held by a non-futures brokerage Member or client (lot)** | |
| From listing to the 15th calendar day of the month preceding the delivery month | Open interest < 200,000 | 20,000 |
| Open interest ≥ 200,000 | 10% of open interest |
| 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 54** Where the Exchange adjusts the Trading Margin rate or price limit of RM 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 55** 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 56** Any matter not covered by these *Detailed Rules* is governed by the relevant Rules of the Exchange.

**Article 57** The Exchange reserves the right to interpret these *Detailed Rules*.

**Article 58** 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.)