**Detailed Rules of Zhengzhou Commodity Exchange for Polyester Staple Fiber Futures**

**Chapter 1 General Provisions**

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

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

**Chapter 2 Trading**

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

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

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

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

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

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

**Chapter 3 Delivery**

**Section 1 General Rules**

**Article 11** PF may be delivered by exchange of futures for physical and standard factory warehouse receipts.

Rolling Delivery for PF 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** PF contract has a delivery unit of 5 metric tons.

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

**Article 14** The standard warehouse receipts for PF are all standard factory warehouse receipts.

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

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

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

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

**Article 18** The premiums and discounts for a factory warehouse for PF are 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 factory warehouse. The 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.

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

**Article 20** In a commodity pick-up with trucks, all expenses incurred before the commodity is loaded onto the trucks shall be borne by the factory warehouse; all expenses incurred thereafter shall be borne by the pick-up person.

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

**Article 21** The cost of packaging materials for polyester fiber 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 PF 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 PF is governed by national standards and these *Detailed Rules*.

**Article 24** The benchmark deliverable is round semi-dull virgin polyester staple fiber for yarn spinning meeting the quality standard for “Cotton-Type Premier Grade” under *National Standard of the People’s Republic of China “Polyester Staple Fiber”* (GB/T 14464-2017) with the specifications of 1.56 dtex × 38 mm, 0.10% ≤ oil content ≤ 0.20%, and 0.30% ≤ moisture regain ≤ 0.60%.

**Article 25** PF requires deliverable brand registration. The benchmark deliverable must be polyester fiber produced by a manufacturer approved by the Exchange. The list of approved manufacturers will be separately announced by, and subject to the adjustment of, the Exchange.

**Article 26** The packaging and package markings for deliverable polyester fiber shall meet the relevant requirements of GB/T 14464-2017. The outer packaging shall be coated woven polypropylene mesh fastened with packing tape. Each bag shall have labels for the product name, specifications, grade, lot number, net weight, date of production, trademark, product standard code, name and address of the manufacturer, and warning labels for product protection and transport. Each bag shall have a net weight of 350 kg, 380 kg, or such other specifications as announced by the Exchange.

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

**Article 27** The maximum number of standard warehouse receipts registerable by a PF factory warehouse is determined by, and subject to the adjustment of, the Exchange.

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

**Article 28** Upon the cancellation of a standard factory warehouse receipt for polyester fiber, 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 29** 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 30** The load-out weight inspection of polyester fiber 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 factory warehouse shall compensate the pick-up person for the price of the missing commodity based on the highest final settlement price of the PF 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 31** 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 delivery, the factory warehouse shall present to the pick-up person the quality inspection report showing conformance with the standards for delivery. The pick-up person may refuse to accept any polyester fiber produced 120 or more days before the cancellation date of the corresponding standard warehouse receipt. Any polyester fiber that comes with damaged or wet packaging or shows signs of serious contamination or similar conditions may not be accepted or delivered by a factory warehouse.

**Article 32** 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. The request for re-inspection shall be submitted before 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 33** 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 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 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 PF 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 34** 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 35** 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 36** 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 37** PF contract has a minimum Trading Margin rate of 5% of contract value.

The Trading Margin rate of PF 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 38** PF contract has a price limit of ±4% of the settlement price of the preceding trading day.

**Article 39** The position limit of a particular PF 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 15th calendar day of the month preceding the delivery month | Open interest < 100,000 | 10,000 |
| Open interest ≥ 100,000 | 10% of open interest |
| From the 16th calendar day to the last calendar day of the month preceding the delivery month | 1,500 | |
| Delivery month | 300  (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 40** Where the Exchange adjusts the Trading Margin rate or price limit of PF 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 41** 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 42** Any matter not covered by these *Detailed Rules* is governed by the relevant Rules of the Exchange.

**Article 43** The Exchange reserves the right to interpret these *Detailed Rules*.

**Article 44** 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.)