**NATURAL RUBBER FUTURES RULES OF THE SHANGHAI FUTURES EXCHANGE**

**CHAPTER 1 GENERAL PROVISIONS**

**Article 1** These *Natural Rubber Futures Rules* are made in accordance with the *General Exchange Rules of the Shanghai Futures Exchange*, the *SHFE Natural Rubber Futures Contract Specifications*, and the relevant business rulesto regulate business related to natural rubber futures at the Shanghai Futures Exchange (the “Exchange”).

**Article 2** These *Natural Rubber Futures Rules* shall be observed by the Exchange, Members, Clients, Delivery Storage Facilities, Designated Inspection Agencies, Futures Margin Depository Institutions, and other participants of the futures market.

**CHAPTER 2 TRADING**

**Article 3** Contract size for natural rubber futures is ten (10) metric tons per lot.

**Article 4** Price quotation of a natural rubber futures contract is Yuan (RMB)/metric ton.

**Article 5** Minimum price fluctuation of a natural rubber futures contract is five (5) Yuan/metric ton.

**Article 6** Listed contracts of natural rubber futures cover January, March, April, May, June, July, August, September, October, and November.

**Article 7** Trading hours of a natural rubber futures contract are 9:00 a.m. to 11:30 a.m., 1:30 p.m. to 3:00 p.m., and other hours specified by the Exchange.

**Article 8** The last trading day of a natural rubber futures contract is the 15th day of the contract month. The last trading day will be postponed accordingly if it is a legal holiday in China, and will be subject to separate adjustment and announcement by the Exchange if it falls in the Spring Festival month or any other month specially designated by the Exchange.

**Article 9** Contract symbol of natural rubber futures is RU.

**Article 10** For the hedging and arbitrage quotas of a natural rubber futures contract, regular months extend from the day of listing to the last trading day of the second month before the delivery month, while nearby delivery months cover the month before the delivery month and the delivery month.

**Article 11** An application for a regular month hedging quota of a natural rubber futures contract shall be submitted by the last trading day of the second month before the delivery month of the contract. Late applications will not be accepted by the Exchange.

An application for a nearby delivery month hedging quota of a natural rubber futures contract shall be submitted between the first trading day of the third month before the delivery month of the contract and the last trading day of the month before the delivery month. Late applications will not be accepted by the Exchange. An application for a nearby delivery month arbitrage quota of a natural rubber futures contract shall be submitted between the first trading day of the second month before the delivery month of the contract and the last trading day of the month before the delivery month. Late applications will not be accepted by the Exchange.

**Article 12** Hedging quota of a natural rubber futures contract shall no longer be used in a revolving manner starting from the first trading day of the delivery month.

**CHAPTER 3 DELIVERY**

**Article 13** A natural rubber futures contract may be physically delivered through an Exchange of Futures for Physicals (“EFP”) or a delivery warehouse.

Natural rubber futures contract adopt duty-paid delivery.

**Article 14** Grade and quality specifications are provided in the *SHFE Natural Rubber Futures Contract Specifications*.

**Article 15** The registered brands of domestic natural rubber will be separately announced by the Exchange.

**Article 16** Packaging:

(i) Domestic natural rubber (SCR WF) shall be wrapped in polyethylene film and placed in a polypropylene bag. Each pack shall have a net weight of thirty-three and three-tenths (33.3) kilograms, with thirty (30) packs forming a metric ton. No tolerance shall be applied to weight. Each pack shall measure six hundred and seventy (670) by three hundred and thirty (330) by two hundred (200) millimeters. The pack shall also carry a label specifying information such as the grade code, net weight, name or code of the manufacturer, and date of production.

(ii) The imported RSS 3 rubber shall be in packs covered with rubber sheets. Packs of each delivery shall be of the same weight. The weight of a standard pack shall be one hundred and eleven and eleven-hundredths (111.11) kilograms, with nine (9) packs forming a metric ton. No tolerance shall be applied to standard packs. Non-standard packs shall be measured by their weights, with pound difference not exceeding plus or minus two-tenths of one percent (±0.2%) and difference between standard warrant weight and actual delivery weight not exceeding plus or minus three percent (±3%).

**Article 17** Required documentation for deliverable commodity

(i) Domestic natural rubber (SCR WF): the certificate of quality inspection (or the testing /appraisal report) on the delivered commodities issued by a Designated Inspection Agency.

(ii) The imported RSS 3 rubber: the photocopies of the customs declaration form, contract, certificate of payment of import tariff, and certificate of VAT withholding by the customs, and the original of the certificate of quality inspection (or the testing /appraisal report) on the delivered commodities issued by a Designated Inspection Agency.

(iii) The commodities shall be inspected using a sample test. Samples shall be taken only on the premise of the delivery warehouse after the load-in and shall not be taken at stations or docks during the process of transportation to the warehouse. The sample size may not exceed one hundred (100) metric tons. Any excess over this amount shall be subject to an additional sample test.

If there has been any change to national policies on taxation, commodity inspection, or other relevant matters, the revised policies shall prevail. In such circumstance, the Exchange will separately announce the revised requirements for the documentation for imported products.

**Article 18** Validity period

(i) Domestic natural rubber (SCR WF) may be delivered at the delivery warehouse up to the last delivery month of the second year after the year of its production. Beyond that, the rubber shall be converted to physicals. If the natural rubber produced domestically in a given year is intended for physical delivery, it shall be loaded into the warehouse before the next June; otherwise, it shall be ineligible for delivery.

(ii) Imported RSS 3 rubber may be delivered at a delivery warehouse up to the eighteenth month following the submission date of the customs declaration form. Beyond that, the rubber shall be converted to physicals. The RSS 3 rubber intended for physical delivery shall be loaded into a delivery warehouse within six (6) months following the submission date of the customs declaration form; otherwise, it shall be ineligible for delivery.

(iii) The certificate of quality inspection (or the testing /appraisal report) on the natural rubber at the delivery warehouse is valid up to the ninetieth day following their issuance. After they expire, the underlying commodity shall not be eligible for delivery until it is inspected and verified again.

**Article 19** The natural rubber arriving at the delivery warehouse shall be dry and clean. The delivery warehouse shall open and inspect ten percent (10%) of the packs and sew them up after inspection. Any commodity that is not fit for purpose due to nuisance such as cracking, drenching, moisture, mildew, blackening, or severe contamination shall be rejected and not enter the delivery process.

**Article 20** Natural rubber underlying each standard warrant shall consist of commodity of the same delivery set and packaging specifications.

**Article 21** Delivery unit of a natural rubber futures contract is ten (10) metric tons.

**Article 22** Delivery period of a natural rubber futures contract is the two (2) consecutive business days immediately following the last trading day of the contract.

**Article 23** The benchmark price for delivery settlement of a natural rubber futures contract is thearithmetic average price of the settlement prices of that contract over the last five (5) trading days on which it was traded.

**Article 24** Delivery venue: the delivery warehouses of the Exchange, to be separately announced by the Exchange.

**Article 25** After the physical delivery is completed, if the buyer has any dispute over the quality or quantity of the commodity (any natural rubber in dispute shall remain in the delivery warehouse), the buyer shall submit a written request to the Exchange for dispute resolution before the 15th day (including that day) of the month following the delivery month (in case that day falls on a public holiday, the date shall be extended to the first business day after the holiday), together with the quality assay report issued by a Designated Inspection Agency. If no submission is received within the prescribed time, the buyer shall be deemed to have no disputes over the commodity, and the Exchange will no longer accept its relevant request for dispute resolution.

**Article 26** If standard warrants are used for the EFPs of a natural rubber futures contract and the EFPs are settled via the Exchange, and if a dispute over the quality of the commodities arises, the buyer shall submit a request for dispute resolution within twenty-five (25) days after the payment and the exchange of standard warrants, together with the quality assay report issued by a Designated Inspection Agency.

**CHAPTER 4 RISK MANAGEMENT**

**Article 27** The minimum trading margin for a natural rubber futures contract is 5%.

**Article 28** The stage-based trading margin rates for natural rubber futures are as follows:

|  |  |
| --- | --- |
| **Stage of Trading** | **Trading Margin** |
| As of listing | 5% |
| As of the first trading day of the month prior to the delivery month | 10% |
| As of the first trading day of the delivery month | 15% |
| As of the second trading day prior to the last trading day | 20% |

**Article 29** The range of price limit for a natural rubber futures contract is within ±3% of its settlement price of the preceding trading day.

**Article 30** Percentage-based Position Limit and fixed-amount Position Limit for each natural rubber futures contract at different stages of trading for an FF Member, a non-FF Member and a Client are as follows (in lots):

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | From the date of listing to the delivery month | | From the date of listing to the last trading day of second month prior to the delivery month | | The first month prior to the delivery month | | Delivery month | |
| Total open  interest | Percentage-based position limit (%) | Fixed-amount position limit (in lots) | | Fixed-amount position limit (in lots) | | Fixed-amount position limit (in lots) | |
| FF Member | Non-FF Member | Client | Non-FF Member | Client | Non-FF Member | Client |
| Natural rubber | ≥25,000 | 25 | 500 | 500 | 150 | 150 | 50 | 50 |

Note: total open interest and the fixed-amount position limit are based on long or short positions; Percentage-based position limit for the FF Member is the baseline limit.

**Article 31** If the Exchange makes a forced position reduction to a natural rubber futures contract, the amount of the unfilled orders subject to the order fill, positions eligible to fill the unfilled orders, and the principles and methods for the order fill of unfilled orders shall be determined as follows:

(i) Amount of the unfilled orders subject to the order fill. The term “amount of unfilled orders subject to the order fill” means the total amount of all the unfilled orders submitted after the close of the base date at the limit price into the central order book by each Client who has incurred losses on net positions in the contract of an average level of no less than eight percent (8%) for natural rubber futures contracts, of the settlement price of the base date.

(ii) Positions eligible to fill the unfilled orders. The positions eligible to fill the unfilled orders include the net positions, on which the Client, as calculated using the above formula stipulated in the Risk Management Rules of the Shanghai Futures Exchange, records average gains for speculative purposes or for hedging purposes at no less than eight percent (8%).

(iii) Principles for the order fill of unfilled orders. The order fill of unfilled orders shall take place in the order of the following four levels with regard to the amount of gains and whether such positions are speculative or hedging:

Level 1: Unfilled orders shall be filled with the speculative positions eligible to fill the unfilled orders of any Client with average gains on net positions of no less than eight percent (8%) of the settlement price on the base date for the contracts in natural rubber futures, or the Speculative Position Gains of Over 8%;

Level 2: Unfilled orders shall be filled with the speculative positions eligible to fill the unfilled orders of any Client with average gains on net positions of no less than four percent (4%) but no more than eight percent (8%) of the settlement price on the base date for contracts with respect to natural rubber futures, or the Speculative Position Gains of Over 4%;

Level 3: Unfilled orders shall be filled with the speculative positions eligible to fill the unfilled orders of a Client with average gains on net positions of no more than four percent (4%) of the settlement price on the base date for contracts in natural rubber futures, or the Speculative Position Gains Below 4%; and

Level 4: Unfilled orders shall be filled with the hedging positions eligible to fill the unfilled orders of a Client with average gains on net positions of no less than eight percent (8%) of the settlement price on the base date for contracts in natural rubber futures, or the Hedging Position Gains of Over 8%.

(iv) Methods for the order fill of unfilled orders. If the amount of the Speculative Position Gains of Over 8% is greater than or equal to that of the unfilled orders, the unfilled orders shall be filled pro rata to the amount of the Speculative Position Gains of Over 8%. If the amount of the Speculative Position Gains of Over 8% is smaller than that of the unfilled orders, the Speculative Position Gains of Over 8% shall be filled pro rata to the amount of the unfilled orders. The residual unfilled orders, if any, shall be filled with the Speculative Positions Gains of Over 4% in the same manner as the foregoing, and if there are still orders remaining, the outstanding unfilled orders shall be filled to the Speculative Position Gains of Below 4%, and so to the Hedging Position Gains of Over 8%. Unfilled orders which eventually remain after all the order fills described above, if any, shall not be filled at all.

**CHAPTER 5 MISCELLANEOUS**

**Article 32** Matters not covered herein shall be governed by the applicable business rules of the Exchange.

**Article 33** Any violations of these *Natural Rubber Futures Rules* will be handled by the Exchange in accordance with the *Enforcement Rules of the Shanghai Futures Exchange*.

**Article 34** The Exchange reserves the right to interpret these *Natural Rubber Futures Rules*.

**Article 35** These *Natural Rubber Futures Rules* take effect on July 16, 2025.