

Measures for the Administration of Safe Deposit Vaults of Shanghai Gold Exchange

(Amended November 2019)

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Chapter I General Provisions

Article 1 This *Measures for the Administration of Safe Deposit Vaults of Shanghai Gold Exchange* (this *Measures*), formulated in accordance with the *Detailed Delivery Rules of Shanghai Gold Exchange*, is designed to regulate the administration of the Safe Deposit Vaulting Service of Shanghai Gold Exchange (the **Exchange** or **SGE**).

Article 2 “Safe Deposit Vaulting Service” refers to the safekeeping services provided to members and customers in respect of their bullion not involved in the trading or delivery activities on the Exchange. The bullion deposited in Safe Deposit Vaults corresponds to allocated accounts, with bars or ingots separately stored by customers.

Article 3 The International Board Certified Vaults of the Exchange (the **IB Certified Vaults**) provide Safe Deposit Vaulting Service to International Members and International Customers and assume full responsibility for the safekeeping of the bullion they deposit.

Article 4 Any gold ingot or gold bar deposited into a Safe Deposit Vault must be either a bullion produced in compliance with the prevailing *SGE Standard for Gold Ingot* or *SGE Standard for Gold Bar*, respectively, by an SGE Standard Gold Ingot Refiner or SGE Standard Gold Bar Refiner, or a standard bullion produced by a qualified supplier accredited by an international market recognized by the Exchange. Bullion that may be deposited into a Safe Deposit Vault are listed in Annex 1. Additions may be made to this list by announcement of the Exchange.

Article 5 International Members, International Customers, and IB Certified Vaults must abide by this *Measures*.

Chapter II Account Opening Registration

Article 6 Any International Member or International Customer intending to use the Safe Deposit Vaulting Service shall submit to the Exchange a duly completed *Registration Form for Opening an SGE Safe Deposit Vault Account* (Annex 2). The service is also available to other institutions approved by the Exchange.

Article 7 The Exchange shall approve or deny the application within five business days of receipt of the application.

Article 8 An International Member or International Customer who has obtained the foregoing approval may deposit and withdraw International Board depositable bullion at Safe Deposit Vaults.

Chapter III Management of Load-In

Article 9 Any International Member or International Customer intending to load bullion into a Safe Deposit Vault shall submit relevant load-in information to the target IB Certified Vault three business days in advance.

Article 10 Any International Member or International Customer intending to bring bullion into a bonded zone shall follow the procedures under the *Operating Guidelines of Shanghai Gold Exchange for Load-In/Load-Out and Bonded Zone Entry/Exit Procedures for International Board Certified Vaults*.

Article 11 The Safe Deposit Vault load-in procedures must be performed by a Designated Deposit Person who is registered with the Exchange pursuant to Chapter IV of the *Detailed Delivery Rules of Shanghai Gold Exchange*.

Article 12 An International Member or International Customer shall submit the following certificates and documentation when loading bullion into a Safe Deposit Vault: (1) the original copy of a duly completed *Application for Load-In to SGE Safe Deposit Vault* (Annex 3); (2) valid identification document of the Designated Deposit Person registered with the Exchange; and (3) certificate of quality and packing list for the bullion to be deposited. The *Application for Load-In to SGE Safe Deposit Vault* shall be prepared in three original copies, each bearing the business transaction seal of the International Member or the signature of its relevant person-in-charge. Bullion of an International Customer shall be loaded-in on its behalf by its carrying International Member.

Article 13 IB Certified Vaults shall accept bullion and process relevant documentation in accordance with the *Detailed Delivery Rules of Shanghai Gold Exchange*.

Chapter IV Management of Load-Out

Article 14 Any International Customer intending to load-out bullion from Safe Deposit Vault shall complete the procedures through its carrying International Member. The International Member shall fill-out an *Application of Take-delivery* on the member service platform, specifying the withdrawing person, his identification document (ID card or passport), the identification number, the Certified Vault for the withdrawal, standard weight of the ingots and bars to be withdrawn, and the serial numbers of the ingots and bars to be withdrawn, and shall set a withdrawal password.

Article 15 Bullion may be withdrawn on the same day or later if the *Application of Take-delivery* is submitted before 16:30, and on the next day or later if it is submitted after 16:30. An *Application of Take-delivery* shall remain valid for five trading days from the date of submission.

Article 16 An *Application of Take-delivery* may be cancelled. If a member submits the application but then does not withdraw the bullion within the withdrawal period specified by the Exchange, the Exchange's system will automatically cancel the application during day-end settlement on the first trading day following the expiry of the withdrawal period.

Article 17 An International Member or International Customer who has withdrawn bullion from a Safe Deposit Vault shall inform the Exchange and the customs of the destinations for such bullion.

Article 18 An International Member shall provide the following certificates and documentation when loading-out bullion: (1) the original copy of a duly completed *Application for Load-Out from SGE Safe Deposit Vault* (Annex 4); (2) the *Application of Take-delivery from SGE Safe Deposit Vault*; and (3) valid identification document of the withdrawing person. In particular, the *Application for Load-Out from SGE Safe Deposit Vault* shall be prepared in three original copies, each bearing the business transaction seal of the International Member or the signature of its relevant person-in-charge.

Article 19 Acceptance of the withdrawn bullion by International Members and International Customers and the processing of relevant bullion withdrawal documentation by IB Certified Vaults shall be performed in accordance with the *Detailed Delivery Rules of Shanghai Gold Exchange*.

Article 20 International Members and International Customers shall observe the *Operating Guidelines of Shanghai Gold Exchange for Load-In/Load-Out and Bonded Zone Entry/Exit Procedures for International Board Certified Vaults* when taking bullion out of a bonded zone, and the *Detailed Delivery Rules of Shanghai Gold Exchange* when depositing bullion into a Transaction Vault.

Chapter V Clearing and Transfer of Bullion for OTC Trades

Article 21 An International Member or International Customer who has entered into a trade outside the Exchange may apply to the Exchange to clear and transfer bullion for that trade.

Article 22 To clear and transfer bullion at a Safe Deposit Vault for an OTC trade, the two trading parties shall each submit an application to the Exchange through the member service platform according to the terms of their trading contract. The applications shall specify the depositable bullion, vault, standard weight, and details of the ingots, and will be automatically matched within the Exchange's system. Each of the trading parties shall also fax a duly completed *Application Form for Clearing and Transfer of OTC-Traded Bullion at SGE Safe Deposit Vault* (Annex 5), confirmed with its signature and seal, to the IB Certified Vault concerned for review. The IB Certified Vault will only review applications that are matched and are consistent with the corresponding *Application Form*. Once the application is approved, the Exchange's system will complete the bullion transfer.

Article 23 The Exchange shall have the right to require the trading parties to either produce their trading contract or explain in writing the purpose or reason for engaging in the clearing and transfer of OTC-traded bullion. If there is any inconsistency between the trading contract and the *Application Form*, information in the *Application Form* shall prevail.

Article 24 An International Customer intending to clear and transfer OTC-traded bullion at a Safe Deposit Vault shall submit its application through its carrying International Member and provide the latter in writing with accurate and relevant information.

Chapter VI Fees

Article 25 The rates of Safe Deposit Vault Storage Fees are uniform across all IB Certified Vaults. Storage Fees shall be based on the standard weight.

Article 26 The Exchange will collect Safe Deposit Vault Storage Fees from International Members and International Customers on the Storage Fee settlement day, and centrally remit them to IB Certified Vaults at the prescribed time. The settlement day shall be the 25th day of each month or the preceding business day in case of holidays.

Article 27 The Storage Fee shall be calculated as follows:

Base Storage Fee = Cumulative Weight × rate of Storage Fee;

Storage Fee on day of load-out = load-out weight × rate of Storage Fee.

Article 28 The Cumulative Weight shall be calculated as follows:

Load-in: new Cumulative Weight = original Cumulative Weight + load-in weight × Storage Fee Days

Load-out: new Cumulative Weight = original Cumulative Weight – load-out weight × (Storage Fee Days – 1);

Clearing and inward transfer of OTC-traded bullion: new Cumulative Weight = original Cumulative Weight + weight transferred in × (Storage Fee Days – 1)

Clearing and outward transfer of OTC-traded bullion: new Cumulative Weight = original Cumulative Weight + weight transferred out × (Storage Fee Days – 1)

When calculating Cumulative Weight each month shall always be 30 days and each year always 360 days regardless of the actual number of days in a month.

Article 29 The Storage Fee Days shall be calculated as follows:

1. From the first day of the current month to the settlement day: Storage Fee Days = settlement day – current date + 1
2. From the first day after settlement day of the preceding month to the last day of the preceding month (excluding the 31st day): Storage Fee Days = number of days each month for the calculation of Cumulative Weights – (current date – settlement day) + 1
3. The 31st day of the current month: Storage Fee Days = 26

Article 30 International Members and International Customers shall pay IB Certified Vaults the Load-in Fee and Load-out Fee for depositing and withdrawing bullion at a Safe Deposit Vault. These fees shall be collected and remitted by the Exchange.

Article 31 When clearing and transferring OTC-traded bullion at a Safe Deposit Vault, the International Member or International Customer shall pay the OTC Bullion Clearing and Transfer Fee to the Exchange and the Bullion Moving Fee to the IB Certified Vault. The Bullion Moving Fee shall be collected and remitted by the Exchange.

Article 32 Other fees payable by International Members and International Customers when using Safe Deposit Vaulting Service include Space Reservation Fee, Weighing Fee, Vault Audit Fee, and Packing Fee.

Article 33 Refer to the *Fee Schedule for SGE Safe Deposit Vault Services* (Annex 6) for the fee rates of the services offered by Safe Deposit Vaults. The rates are subject to change by announcement of the Exchange.

Chapter VII Reference Bullion Value

Article 34 The Exchange allows International Members and International Customers to look-up the Reference Bullion Value to help them better gauge the worth of the bullion they have deposited into a Safe Deposit Vault.

Article 35 Reference Bullion Value = reference price (yuan/g) × standard weight of the ingot or bar. The Exchange updates the Reference Bullion Value each morning.

Article 36 The Reference Bullion Value is only for reference by International Members and International Customers and may deviate from the market value of the underlying bullion.

Article 37 The Exchange may adjust the formula for the Reference Bullion Value and the selection of the reference price at any time. The formula and reference price in effect shall be governed by the announcements of the Exchange.

Chapter VIII Vault Audit

Article 38 Any International Member or International Customer who is using Safe Deposit Vaulting Service may apply for a vault audit by the relevant IB Certified Vault, provided that only one such audit is allowed each year.

Article 39 International Members and International Customers shall strictly comply with relevant rules of the IB Certified Vault in connection with the vault audit, and shall bear all losses arising from any violation of these rules.

Chapter IX Ancillary Provisions

Article 40 This *Measures* is written in Chinese. In case of any inconsistency between its different language versions or different editions, the latest Chinese version shall prevail.

Article 41 The Exchange shall reserve the right to interpret this *Measures*.

Article 42 This *Measures* shall take effect as of the date of its release.

Annex 1: List of SGE Depositible Bullion

Annex 2: Registration Form for Opening an SGE Safe Deposit Vault Account

Annex 3: Application for Load-In to SGE Safe Deposit Vault

Annex 4: Application for Load-Out from SGE Safe Deposit Vault

Annex 5: Application Form for Clearing and Transfer of OTC-Traded Bullion at SGE Safe Deposit Vault

Annex 6: Fee Schedule for SGE Safe Deposit Vault Services

Annex 1:

List of SGE Depositible Bullion

Name	Depositible Bullion	Classification
iAu99.99b	Gold ingots with standard weight of 1kg and minimum fineness of 999.9	International Board depositible bullion
iAu99.5b	Gold ingots with standard weight of 12.5kg and minimum fineness of 995.0	International Board depositible bullion
iAu100gb	Gold bars with standard weight of 0.1kg and minimum fineness of 999.9	International Board depositible bullion

Annex 2:

Registration Form for Opening an SGE Safe Deposit Vault Account

No.:

To be completed by the customer			
Member Name		Member Code	
Trading Seat Name		Trading Seat Code	
Customer Name		Customer Code	
Type of Certificate	<input type="checkbox"/> Commercial License <input type="checkbox"/> Certificate of Incorporation <input type="checkbox"/> Business Registration Certificate <input type="checkbox"/> Certificate with an assigned business number		
Certificate Number			
Registered Address			
Mailing Address		Postal Code	
Contact Person		Position	
Landline Phone		Fax	
Mobile Phone		Email	
We hereby guarantee that the information above is true and complete, and are willing to assume all legal liabilities in connection with the information we provide. Signature/seal of the legal representative of the applicant Date of application:		Signature/seal of the member:	
Note	Please notify SGE in writing if any information above has changed.		
Approval record (to be completed by the Exchange)			
Processed by			Seal of approval department or signature of relevant person-in-charge Date:
Reviewed by			
Note:			

Note: The application number is to be assigned and filled in by SGE.

Please complete this form with care. Applicant shall assume the consequences of inaccurate information.

Annex 3:

Application for Load-In to SGE Safe Deposit Vault

Date:

No.:

Member Name			Member Code		
Trading Seat Name			Trading Seat Code		
Customer Name			Customer Code		
Certified Vault Name			Certified Vault Code		
Name of Depositible Bullion	Standard Weight per Bar/Ingot (kg)	Number of Bars/Ingots	Total Standard Weight (kg)	Total Actual Weight (kg)	
Total					
Designated Deposit Person		ID Type		ID Number	
		<input type="checkbox"/> Passport <input type="checkbox"/> ID card			
Signature/seal of the Certified Vault:	Seal of member or signature of relevant person-in-charge:		Note:		
Handled by:	Designated Deposit Person:				
Reviewed by:					

Copy 1 of 3: kept by the Certified Vault for bookkeeping purpose

Application for Load-In to SGE Safe Deposit Vault

Date:

No.:

Member Name			Member Code	
Trading Seat Name			Trading Seat Code	
Customer Name			Customer Code	
Certified Vault Name			Certified Vault Code	
Name of Depositible Bullion	Standard Weight per Bar/Ingot (kg)	Number of Bars/Ingots	Total Standard Weight (kg)	Total Actual Weight (kg)
Total				
Designated Deposit Person		ID Type		ID Number
		<input type="checkbox"/> Passport <input type="checkbox"/> ID card		
Signature/seal of the Certified Vault:		Seal of member or signature of relevant person-in-charge:		Note:
Handled by:				
Reviewed by:				
		Designated Deposit Person:		

Copy 2 of 3: kept by the customer as a record of load-in

Application for Load-In to SGE Safe Deposit Vault

Date:

No.:

Member Name			Member Code		
Trading Seat Name			Trading Seat Code		
Customer Name			Customer Code		
Certified Vault Name			Certified Vault Code		
Name of Depositible Bullion	Standard Weight per Bar/Ingot (kg)	Number of Bars/Ingots	Total Standard Weight (kg)	Total Actual Weight (kg)	
Total					
Designated Deposit Person		ID Type		ID Number	
		<input type="checkbox"/> Passport <input type="checkbox"/> ID card			
Signature/seal of the Certified Vault:	Seal of member or signature of relevant person-in-charge:			Note:	
Handled by:	Designated Deposit Person:				
Reviewed by:					

Copy 3 of 3: annex to the load-in record

Annex 4:

Application for Load-Out from SGE Safe Deposit Vault

Date:

No.:

Member Name			Member Code	
Trading Seat Name			Trading Seat Code	
Customer Name			Customer Code	
Certified Vault Name			Certified Vault Code	
Name of Depositible Bullion	Standard Weight per Bar/Ingot (kg)	Number of Bars/Ingots	Total Standard Weight (kg)	Total Actual Weight (kg)
Total				
Name of the withdrawing person		ID Type		ID Number
		<input type="checkbox"/> Passport <input type="checkbox"/> ID card		
Application of Take-delivery No.				
Signature/seal of the Certified Vault: Handled by: Reviewed by:	Seal of member or signature of relevant person-in-charge: Signature of withdrawing person:		Note:	

Copy 1 of 3: kept by the Certified Vault for bookkeeping purpose

Application for Load-Out from SGE Safe Deposit Vault

Date:

No.:

Member Name			Member Code	
Trading Seat Name			Trading Seat Code	
Customer Name			Customer Code	
Certified Vault Name			Certified Vault Code	
Name of Depositible Bullion	Standard Weight per Bar/Ingot (kg)	Number of Bars/Ingots	Total Standard Weight (kg)	Total Actual Weight (kg)
Total				
Name of the withdrawing person		ID Type		ID Number
		<input type="checkbox"/> Passport <input type="checkbox"/> ID card		
Application of Take-delivery No.				
Signature/seal of the Certified Vault: Handled by: Reviewed by:		Seal of member or signature of relevant person-in-charge: Signature of withdrawing person:		Note:

Copy 2 of 3: kept by the customer as a record of load-out

Application for Load-Out from SGE Safe Deposit Vault

Date:

No.:

Member Name			Member Code	
Trading Seat Name			Trading Seat Code	
Customer Name			Customer Code	
Certified Vault Name			Certified Vault Code	
Name of Depositible Bullion	Standard Weight per Bar/Ingot (kg)	Number of Bars/Ingots	Total Standard Weight (kg)	Total Actual Weight (kg)
Total				
Name of the withdrawing person		ID Type		ID Number
		<input type="checkbox"/> Passport <input type="checkbox"/> ID card		
Application of Take-delivery No.				
Signature/seal of the Certified Vault:		Seal of member or signature of relevant person-in-charge: Signature of withdrawing person:		Note:
Handled by:				
Reviewed by:				

Copy 3 of 3: annex to the load-out record

Annex 5:

Application Form for Clearing and Transfer of OTC-Traded Bullion at SGE Safe Deposit Vault

Date of application:

Certified Vault Code		Certified Vault Name	
Member Name (transferor)		Member Name (transferee)	
Member Code (transferor)		Member Code (transferee)	
Trading Seat Name (transferor)		Trading Seat Name (transferee)	
Trading Seat Code (transferor)		Trading Seat Code (transferee)	
Customer Name (transferor)		Customer Name (transferee)	
Customer Code (transferor)		Customer Code (transferee)	
Depositable Bullion		Standard Weight (kg)	
Total weight to be transferred			
Contract number			
Contact Person (transferor)		Contact Person (transferee)	
Contact Details (transferor)		Contact Details (transferee)	
Signature & seal of transferor		Signature & seal of transferee	
Note:			

1. Information provided here must be fully consistent with the contents of the corresponding contract.
2. Send this Application Form by fax to the SGE International Board Certified Vault.

Annex 6:

Fee Schedule for SGE Safe Deposit Vault Services

Type		Rate	Note
Storage Fee	Cumulative Weight	0.18 yuan/kg • day	
	Day of bullion load-out	0.18 yuan/kg	
Load-in Fee and Load-out Fee	Load-in	2 yuan/kg	Fractional weight will be rounded up to one kilogram
	Load-out	2 yuan/kg	
OTC Bullion Clearing and Transfer Fee		Currently exempted	
Bullion Moving Fee		1 yuan/kg, minimum of RMB 1,000 per batch	Shared equally (50-50) between the two parties in the clearing and transfer of bullion at a Safe Deposit Vault for their OTC trade
Space Reservation Fee		200,000 yuan/month, maximum storage capacity of 18 metric tons; or 100,000 yuan/month + 0.2 yuan/kg • day	
Weighing Fee		Large ingot (400 oz t): 10 yuan/piece; gold bar/ingot: 0.5 yuan/piece (bar)	
Vault Audit Fee		1,000 yuan/tray (1 metric ton per tray max)	
Packing Fee		25 yuan/standard container	