FORWARD CONTRACTS (REGULATION) RULES, 1954

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FORWARD CONTRACTS (REGULATION) RULES, 1954

S.R.O. 2230 dated the 8th July, 1954.-- In exercise of the powers conferred by Section 28 of the Forward Contracts (Regulation) Act, 1952 (74 of 1952) the Central Government hereby makes the following rules, namely:-

1.**Short Title.** These Rules may be called the Forward Contracts (Regulation) Rules, 1954.

2.**Definitions.** In these Rules, unless the context otherwise requires:

a."**Form**" means a form appended to these Rules;

b."**the Act**" means the Forward Contracts (Regulation) Act, 1952 (74 of 1952).

3.**Application for recognition.** An application under Section 5 of the Act for recognition of an association shall be made in triplicate in Form A to the Central Government through the Forward Markets Commission, Mumbai.

3A[50]**.Application for registration.** An application under Section 14A of the Act for registration of an association shall be made in triplicate in Form D to the Forward Markets Commission, Mumbai.

4.[51]**.Payment of fee for recognition.**

a)There shall be paid in respect of every application under Rule 3, fee of rupees[52][two thousand and five hundred only] and under Rule 3A, fee of rupees fifty only.

b)The amount of the fee shall either (i) be deposited in the nearest Government Treasury or the nearest branch of the State Bank of India; provided that at Mumbai, Calcutta, Delhi, Kanpur and Madras the amount shall be deposited in the Reserve Bank of India, or (ii) be remitted by a crossed Indian Postal Order in favour of the Secretary, Forward Markets Commission, Mumbai.

c)The amount of the fee so deposited shall be credited to the Receipt Head XXI Miscellaneous Receipts - Forward Markets Commission, Items adjustable by the Deputy Accountant General, Commerce, Works and Miscellaneous, Mumbai.

d)The amount of fee so deposited shall not be refundable.

[53]**5. Documents to be filed along with the application and particulars it should contain.** Every application shall be accompanied by three copies of the rules and bye-laws of the association and the receipts granted by the Government treasury or as the case may be, the State Bank of India or the Reserve Bank of India or the Demand Draft on the State Bank of India or the Indian Postal Order in respect of the amount of the fee deposited or remitted, as the case may be, and shall contain clear particulars as to the matters specified in the annexure to Form A.

[54]**6. Power to Call for additional information.** The Forward Markets Commission may require the applicant association to furnish within a period to be specified by it, such additional information as it may consider necessary.

7. Grant of Recognition.

(1) Before granting recognition to an association under Section 6 of the Act, the Central Government may besides making such inquiry and obtaining such further information as is referred to in that Section, also consider the advice of the Forward Markets Commission.

(2) The recognition granted to an association shall be in Form B, specify the goods or the classes of goods with respect to which, in which forward contract may be entered into between the members of such association or through or any such member and be subject to the following conditions, namely:

I. that the recognition granted shall be for such period not less than one year as may be specified in the recognition;

II. that the association shall comply with such directions as may from time to time be given by the Forward Markets Commission.

[55]**7A. Certificate of registration.** The certificate of registration granted to an association under sub-clause (b) of clause (3) of Section 14A of the Act shall be in Form B and the certificate of registration granted to an association under Section 14B of the Act shall be in Form F; and in each case; the certificate shall incorporate the conditions, if any subject to which it is granted.

8. Renewal of recognition.

I. Three months before the expiry of the period of recognition an association desirous of renewal of such recognition may make an application in triplicate in Form A to the Central Government through the Forward Markets Commission.

II. The provisions of rule 3, 4, 5 and rule 7 shall apply in relation to renewal of recognition as they apply in relation to grant of recognition subject to the modification that the fee payable in respect of an application for the renewal of recognition shall be [56][rupees one thousand only].

[57]**8A.** Deleted.

9. Withdrawal of recognition.

1.Before withdrawing the recognition granted to an association the Central Government may besides complying with the provisions of Section 7 of the Act, also consider the advice of the Forward Markets Commission.

2.Reasonable opportunity to the association to be heard, referred to in Section 7 of the Act, shall be given by means of a notice which shall be in

Form C.

[58]9A. Refusal to grant registration.

Opportunity to the association to be heard, referred to in the proviso to section 14B of the Act, shall be given by means of a notice which shall be in Form G.

[59]10. Submission of periodical returns.

1.Every recognized association and every registered association shall send to the Forward Markets Commission returns relating to its affairs and the affairs of its members in such form and in such manner and at such times as may be specified in this behalf by the Forward Markets Commission.

2.Every member of a recognized association or of a registered association shall send to the Forward Markets Commission returns relating to his affairs in such form and in such manner and at such times as may be specified in this behalf by the Forward Markets Commission.

[60]11. Manner of publication of Bye-laws for criticism.

The following provisions shall apply to bye-laws which are subject to the condition of being made after previous publication under sub-section (4) of Section 11 of the Act, namely;

1.the recognized association making such bye-laws shall post a draft thereof on notice board of the association for the information of persons likely to be affected thereby; 2.there shall be posted with the draft a notice that the draft will be taken into consideration by the association on or after a certain date (hereinafter in this rule referred to as the specified date) which shall not be earlier than seven days from the date of such posting and that any objections or suggestions with respect to the said draft received from any persons before the specified date will be considered by the association;

3.the association and also the Central Government when granting approval shall consider any objections and suggestions received by the association before the specified date.

[61]11A. Manner of publication of bye-laws by the Central Government for criticism.

Except in cases where previous publication is dispensed with, the following shall be the conditions in regard to previous publication of any bye-law made, amended or revised by the Central Government under Section 12 of the Act, namely:-

1.The Central Government shall publish a draft of the bye-law or the amendment or revision of a bye-law, in the Gazette of India for the information of persons likely to be affected thereby;

2.There shall be published with the draft a notice that the draft will be taken into consideration by the Central Government on or after a certain date (hereinafter in this rule referred to as the specified date) which shall not be earlier than seven days from the date of such publication in the Gazette of India and that any objections or suggestions with respect to the said draft received from any person before the specified date will be considered by the Central Government.

[62]12.Particulars to be included in annual reports.

The annual report of a recognized association shall, inter-alia, contain particulars relating to the following matters, namely;-

a)a survey of the year giving an analysis of the movement of prices and mentioning special benefits, if any, conferred by the forward market on the trade, during the year;

b)changes in rules and bye-laws, if any;

c)changes in the composition of the governing body;

d)sub-committees set up, changes in the composition of existing ones and the work done by the sub-committees;

e)admissions, re-admissions, deaths or resignations of members and the total number of members and their distribution among the different classes and panels, if any, as at the end of the year;

f)disciplinary action taken against members;

g)arbitration of other disputes relating to quality (number, passing‟s and rejections); h)arbitration of disputes (nature, number and manner of disposal);

i) defaults committed by members such as non-payment of differences, failure to tender and the like;

j)forward and ready prices during the year;

k)settlement rates, amounts of differences cleared, due date rates and tendering differences;

l) rates of margin and amount of margin deposited from time to time;

m)allowances payable by the seller in the event of mofussil delivery, fixed or altered during the year;
n)volume of transactions and quantity delivered against forward contracts.

[63]**13. Communication of information relating to offences.**

The Commission shall communicate information in respect of the commission of any offence under the Act to the concerned authorities and assist such authorities in scrutinizing documents referred to by them and in rendering such expert advice as may be required by them.

TABLE I

Commodities to which sec. 15 have been applied thereby rendering illegal all forward contracts except those entered into between members of a recognised association or through or with such a member.

Sl. No	COMMODITY	Notification No. & Date
Oilseeds and Oils		
1	Groundnut	252 (E) dated 12.4.1999
2	Groundnut Oil	-- do --
3	Groundnut Oilcake	-- do --
4	Cottonseed	-- do --
5	Cottonseed Oil	-- do --
6	Cottonseed Oilcake	-- do --
7	Sesamum (Til or Jiljilli)	-- do --
8	Sesamum Oil	-- do --
9	Sesamum Oilcake	-- do --
10	Copra/Coconut	-- do --
11	Copra Oil/Coconut Oil	-- do --
12	Copra Oilcake/Coconut Oilcake	-- do --
13	Safflower	-- do --
14	Safflower Oil	-- do --
15	Safflower Oilcake	-- do --
16	Rapeseed/Mustard seed	-- do --
17	Rapeseed Oil/Mustard Oil	-- do --
18	Rapeseed Oilcake/ Mustard seed Oilcake	-- do --

Sl. No	COMMODITY	Notification No. & Date
19	Rice Bran	-- do --
20	Rice Bran Oil	-- do --
21	Rice Bran Oilcake	-- do --
22	Sunflower Seed	-- do --
23	Sunflower Oil	-- do --
24	Sunflower Oilcake	-- do --
25	RBD Palmolein	-- dated 7.8.2000
26	Soybean	187 (E) dated 1.3.2001
27	Soy Oil	187 (E) dated 1.3.2001
28	Soy meal	187 (E) dated 1.3.2001
29	Linseed	-- (E) dated 1.4.2003
30	Linseed oil	-- (E) dated 1.4.2003
31	Linseed Oilcake	-- (E) dated 1.4.2003
32	Celery seed	-- (E) dated 1.4.2003
	FOODGRAINS AND PULSES	
33	Wheat	-- (E) dated 1.4.2003
34	Gram	-- (E) dated 1.4.2003
35	Jowar	-- (E) dated 1.4.2003
36	Bajra	-- (E) dated 1.4.2003
37	Maize	-- (E) dated 1.4.2003
38	Ragi	-- (E) dated 1.4.2003
39	Small Millets (Kodan Kulti, Kodra, Korra, Vargu, Sawan, Rala, Kakun, Samai, Vari & Banti)	-- (E) dated 1.4.2003
40	Tur(Arhar)	-- (E) dated 1.4.2003
41	Urad (Mash)	-- (E) dated 1.4.2003

Sl. No	COMMODITY	Notification No. & Date
42	Mung	-- (E) dated 1.4.2003
43	Moth	-- (E) dated 1.4.2003
44	Masur	-- (E) dated 1.4.2003
45	Kulthi	-- (E) dated 1.4.2003
46	Peas	-- (E) dated 1.4.2003
47	Lakh (Khesari)	-- (E) dated 1.4.2003
48	Barley	-- (E) dated 1.4.2003
49	Guar	-- (E) dated 1.4.2003
50	Rice or Paddy	-- (E) dated 1.4.2003
51	Arhar Chuni	-- (E) dated 1.4.2003
52	Mung Chuni	-- (E) dated 1.4.2003
53	Tur Dal (Arhar Dal)	-- (E) dated 1.4.2003
54	Urad dal	-- (E) dated 1.4.2003
55	Mung dal	-- (E) dated 1.4.2003
56	Gram Dal	-- (E) dated 1.4.2003
		Fibres and Manufactures
57	Indian Cotton (Full pressed, half pressed or loose	2522 dated 30.7.1954
58	Kapas	2456 dated 8.7.1964
59	Staple Fibre Yarn	2455 dated 8.7.1964
60	Jute goods (Hessian and Sakings and cloth and /or bags, twines and/or yarns mfd by any of the mills and/or any other manufacturers of whatever nature made from jute)	108 (E) dated 6.2.2001
61	Cotton pods	-- (E) dated 1.4.2003
62	Cotton Yarn	-- (E) dated 1.4.2003
63	Cotton Cloth	-- (E) dated 1.4.2003

Sl. No	COMMODITY	Notification No. & Date
64	Art Silk Yarn	-- (E) dated 1.4.2003
65	Raw Jute 1 (including Mesta)	-- (E) dated 1.4.2003
	Spices	
66	Turmeric	880 dated 11.4.1956
67	Pepper 2	-- (E) dated 1.4.2003
68	Methi	-- (E) dated 1.4.2003
69	Coriander seed	-- (E) dated 1.4.2003
70	Aniseed	-- (E) dated 1.4.2003
71	Betelnuts	-- (E) dated 1.4.2003
72	Cardamom	-- (E) dated 1.4.2003
73	Chillies	-- (E) dated 1.4.2003
74	Cinnamon	-- (E) dated 1.4.2003
75	Cloves	-- (E) dated 1.4.2003
76	Ginger	-- (E) dated 1.4.2003
77	Nutmegs	-- (E) dated 1.4.2003
	Metals	
78	Gold	-- (E) dated 1.4.2003
79	Silver	-- (E) dated 1.4.2003
80	Silver Coins	-- (E) dated 1.4.2003
81	Copper, Zinc, Lead or Tin	-- (E) dated 1.4.2003
	Others	
82	Castorseed	333 (E) 16.4.1985
83	Potato	388 (E) 15.5.1985
84	Gur	2733 dated 10.8.1970
85	Sugar	430 (E) dated 14.5.2001
86	Khandsari Sugar	-- (E) dated 1.4.2003

Sl. No	COMMODITY	Notification No. & Date
87	Shellac	-- (E) dated 1.4.2003
88	Seedlac	-- (E) dated 1.4.2003
89	Chara or Berseem (including charaseed or berseemseed)	-- (E) dated 1.4.2003
90	Camphor	-- (E) dated 1.4.2003
91	Gram Husk (Gram Chilka)	-- (E) dated 1.4.2003

TABLE II

COMMODITIES IN WHICH FORWARD CONTRACTS HAVE BEEN PROHIBITED UNDER SECTION 17.

Sl. No	COMMODITY	REGION

NIL

TABLE III

Commodities in which sec. 17 is applied to non-transferable specific delivery contracts are also prohibited in exercise of the powers confered under section 18 (3) of the act.

Sl. No	COMMODITY	REGION

NIL

TABLE IV

Commodities in respect of which sec. 15 is applied to non-transferrable specific delivery contracts also in exercise of the powers confered under section 18 (3) of the act

Sl. No	COMMODITY	REGION

NIL

NOTES TO TABLES I, II, III & IV.

1. TSD contracts, in the City of Calcutta, entered into for the import of Jute into India, are exempted.

N.B.-

i. In raw jute, hessian and sacking trading is permitted in TSD contracts.

ii. East India Jute & Hesian Exchange Ltd., Kolkatta is recognised for trading in Raw Jute only for TSD contracts.

2. In case of pepper, international futures‟ trading is permitted. In this case, one or both the parties to the forward contract can be a foreign participant.

A.Besides the exemptions from the provisions of the FC(R) Act, 1952, mentioned above, the following general exemptions also have been granted:

Exporters: Every forward contract, entered into between an exporter from India and an importer in foreign country, for the export out of India of any goods, is exempted from the operation of so much of provisions of Sections 15 to 18 of the Act, as are applicable thereto.

B.According to Section 14 A of the FC(R) Act, 1952 no association can regulate trading in any type of forward contracts except under and in accordance with the conditions of certificate of registration granted by the FMC, under Section 14B of the said Act.

FORM A

(See rules 3 & 8)

Applications for recognition/renewal of recognition of an association under Section 5 of the Forward Contracts (Regulation) Act, 1952

(Note :- Application must be submitted in triplicate) To:

…….

…….

…….

SUB:- Application for recognition/renewal of recognition of an association under section 5 of the Forward Contracts (Regulation) Act, 1952

Sir,

1.Pursuant to the Central Government Notification No. …… dated …… and the Press Note/Certificate dated ……. Regarding application for recognition under section 5 granting recognition under section 6 of the Forward Contracts (Regulation) Act, 1952, we/I on behalf of

……... (name and address of association), being concerned with the regulation and control of forward contracts hereby apply for recognition/renewal of recognition for the purposes of the said Act in respect of

…….. (name of goods or classes of goods).

2.Six copies of the rules, Memorandum and Articles of Association relating in general to the constitution and management of the association and six copies of the bye-laws for the regulation and control of forward contracts are enclosed.

form is enclosed. Any additional information will be furnished as and when called for by the Forward Markets Commission.

4.We/I on behalf of the said association hereby undertake to comply with the requirements under sub-section (2) and (3) of section 6 of the Forward Contracts (Regulation) Act, 1952.

5.Treasury Receipt No. …… dated ……./ crossed Demand Draft on the State Bank of India, Mumbai No. …….. dated ……../crossed Postal Order No. ……... dated ……. for Rs. 2500/-/1000/- is attached.

Yours faithfully,

Signature of applicant

Substituted by the Forward Contracts (Regulation) (Amendment) Rules, 1961, vide S.O. 1099 dated 15th May, 1961 and amended vide Notification No. Nil dated 23rd July, 1993

ANNEXURE TO FORM-A

Part I - General

1.Name of applicant association.

2.Address

3.Date of establishment

4.Is your association a private limited or public, limited company registered under the Companies Act, 1956. If it is organized on some other basis, this may be stated.

5.If your association is a joint stock company, please give details of your authorized subscribed, issued and paid up capital. If you have raised capital in some other form e.g. issue of debentures, this may be stated.

6.If your association is a profit-making organisation please attach two copies of audited Balance Sheets and Profit and Loss account of the Association for the preceding three years.

7.Give particulars of the capital assets of your association, viz., size of deposit from members, reserve fund, fixed assets etc.

8.What is the provision made by the association for the safety of funds of non-members held in deposit with members in connection with business?

Part II - Membership

9.Number of members at the time of application.

10.If possible, please classify the members by broad trade interests like “sellers”, “buyers”, “brokers”, “growers”, “consumers” etc.

11.State the different classes of members (e.g. full member, associate member, etc.) if any, and the number thereof.

12.Give details of the privilege enjoyed by different classes of members particularly in regard to their voting rights.

13.Do you collect any deposit from your members? If so, please give details.

14.What rate (s) of interests do you pay on the members deposit and state the manner in which such deposits are utilised?

15.Do you collect any admission fees from your members? If so, how much?

16.What are the rates of your annual subscription in respect of the different classes of members?

17.State whether under your existing constitution there are any provisions for limiting the number of members. If so, give details and reasons therefor.

18.If you limit the number of members, then state the maximum number of members that you can enrol.

Part III – Board of Management

19.What is the present strength of your Board of Management/ Directors?

20.Does the constitution of your Board of Management/Directors truly represent the different trade interests, such as “sellers”, “buyers”, “brokers”, “growers”, “consumers” etc.? If not, are you willing to amend your constitution so as to make the Board fairly representative?

21.Are there any representatives of State Government/Commodity Committee on your Board of Management/Directors? If so, please furnish their names and the interest represented by them.

Part IV - Trading

22.State the names of commodities and the description of the forward contracts (e.g.

non-transferable specific delivery contracts, transferable specific delivery contracts, hedge contracts, etc.) dealt in by you in the past.

23.State the names of commodities and the description of forward contracts dealt in at present.

24.Please furnish approximate figures of your annual turnover in the different types of forward contracts, the quantity tendered, value thereof and the amount settled through your clearing house for any two years preferably recent years.

25.Is your association situated in the producing, distributing or consuming centres of the commodity/commodities dealt?

26.If your association is in the producing area, please state the size of the crop grown in your State and its relation to the all-India crop.

27.State the periods during which the crop grown in your State moves to the marketing centres.

28.If your association is situated in a distributing and/or consuming centre(s), please state the approximate quantity received by your market for the purpose of merchandising?

29.State the extent of warehousing facilities available in your market.

Part V – Ready Contracts (Delivery to be effected within 11 days from the date of Transaction)

30.Do you provide for a "spot market" where ready lots are sold?

31.If so, who are the principal buyers, i.e. whether dealers, investors, ultimate consumers?

32.Do you prescribe any definite standards for trading spot transactions? If so, please give details.

33.State the average annual turnover in ready transactions.

Part VI – Non-transferable Specific Delivery Contracts

34.State the average annual turnover in non-transferable specific delivery contracts, i.e.

specific delivery contracts, delivery against which is effected after 11 days from the date of contract to parties specified therein.

35.State briefly the safeguards that you generally take for minimizing speculation in these contracts.

Part VII - Transferable Specific Delivery Contracts

36.If you are conducting forward trading through the medium of "futures" or "hedge" contracts or other types of forward contracts, which provides for transferable specific delivery, please explain its nature.

37.Do you have a trading „ring" ? Please give details.

38.Please give details of the opening and closing of the market and the regulation of the hours of trade.

39.Do you have any system of licensing or registration of brokers of floor-operators ? 40.Please give details of the scale of brokerage and other charges prescribed by your association.

41.Please state the unit of trading prescribed in respect of "futures", "hedge" or other types of forward contracts.

42.What is the "basis" of such contracts (e.g. "Fine Jarilla 25/32", Khandesh Bold, etc.)? 43.What are your grades or classes ?

44.Are your present forward contracts working successfully ?

45.Have you received any complaints against the working of your present contracts ? If so, please state the reasons therefor briefly.

46.Have you received any suggestions for their improvement

47.Do you provide for the delivery of the commodity at stations outside the place where your association is situated ? If so, please furnish names of such stations.

48.What are the periods of delivery stipulated against your "futures", "hedge" or other types of forward contracts ?

49.Is delivery only at the option of the seller or both the buyer and seller.

50.Do you prescribe any definite standards for trading in "futures", "hedge" or other types of forward contracts ?

51.Do you provide any safeguards for the prevention of "squeeze" and "bear raids", and for meeting emergencies in trade ?

52.How do you regulate fluctuations in rates and prices ?

53.Do you prescribe maximum and minimum price limits for trading ? Please give details.

54.Do you provide for the regulation of dealings by members for their own account ? 55.Do the members of your association submit periodical reports of the business done by them ?

56.Do you provide for limitation on the volume of trade done by any individual member ?

57.Please give details of the organization and management of your clearing house? 58.What provisions have you made for periodical settlement of contracts and differences there under, the delivery of and payments for goods and the passing of delivery orders ?

59.What provision have you made for the fixation of price differential of tenderable grades ?

60.What are the number of classes of contracts in respect of which settlements are made or difference paid through the clearing house ?

61.What guarantee, if any, does your clearing house give for the fulfillment of contracts ? Give full details.

62.How do you fix, alter or postpone days of settlement ?

63.How do you determine and declare market rates, including opening, closing, highest and lowest rates ?

64.Do you prescribe margin requirement ? Please give details.

65.Please attach three copies of your standard forms of contracts.

66.What provision have you made for regulating the entering into and performance of contracts and the consequences of default or insolvency on the part of a seller or buyer or intermediary and for other related matters ?

67.Do you require member to supply such information or explanation and to produce such books relating to their business as your Board of Management may require ?

68.Do you prescribe any penalty in case of contravention of a bye-law by a member?

Part VIII – Surveys & Arbitration

69.Do you provide facilities for the survey of sample tendered in connection with the adjudication of trade dispute and otherwise ?

70.Do you provide a machinery for the arbitration of trade disputes ?

71.Please state the number of samples surveyed and the number of trade disputes arbitrated during the last two years.

72.What provision have you made for the levy and recovery of fees, fines and penalties ?

Yours faithfully,

Director/Secretary

Date:

FORM 13

(SEE RULES 7 AND 8)

GOVERNMENT OF INDIA

MINISTRY OF COMMERCE AND INDUSTRY

1.No…… The Central Government, having considered in consultation with the Forward Markets Commission, the application for recognition/renewal of recognition made under section 6 of the Forward Contracts (Regulation) Act, 1952 by ……. (name and address of association) and being satisfied that it would be in the interest of the trade and in public interest so to do, hereby grants, in exercise of the powers conferred by section 6 of the said Act, recognition to the said association for ……. Year/years ending ……..on a permanent basis in respect of forward contracts in …….(name of goods or classes of goods).

2.The recognition hereby granted is subject to the condition that the said association shall comply with such direction as may from time to time, be given by the Forward Markets Commission.

Signature of Officer

Seal of the Ministry.

NOTE: (1) Application for renewal of recognition should be made three months before the expiry of the period.

(This certificate will also have to be published as a Notification in the Gazette of India and also in the Official Gazette of the State in which the principal office of the recognized association is situated.)

[See Sub-rule (2) of rule 9]

Notice to show cause against the withdrawal of recognition.

FORWARD MARKETS COMMISSION
GOVERNMENT OF INDIA
MINISTRY OF COMMERCE AND INDUSTRY
New Delhi

To,

……
…… ……
……
(Name & address of the association)

The Central Government in consultation with the Forward Markets Commission, hereby calls upon you to show cause on ……(date) at …… the office of …… …… ……(time)…….(designation of officer) …….why the recognition in ……. (name of goods or classes of good)in …….. granted to you ……. (name of area or areas)

under the Ministry of Commerce & Industry Notification No. ……. Dated …….. and Certificate No. ……. date …… should not be withdrawn for the reasons given in the Annexure to this Notice.

Signature of officer
Seal of Ministry

@ FORM D

(See rules 3A)

Application for registration/renewal of registration of an association under section 14 A of the Forward Contracts (Regulation) Act, 1952.

(NOTE.- Application must be submitted in triplicate)

……
……
……
……

Application for registration/renewal of registration under section 14A of the Forward Contracts (Regulation) Act, 1952

Sir,

1.Pursuant to the section 14A of the Forward Contracts (Regulation) Act, 1952/ Certificate dated ……. granting certificate of registration under Section 14 A of the Forward Contracts (Regulation) Act, 1952. We/I on behalf of …….(name and address of Association) being concerned with the regulation and control of business relating to forward contracts in …….hereby apply for registration/renewal of registration for the purpose of the said Act.

2.Three copies of the Rules, Memorandum and Articles of Association relating in general to the constitution and management of the association and three copies of the bye-laws for the regulation and control of forward contracts are enclosed.

Form is enclosed. Any additional information will be furnished as and when called for by the Forward Markets Commission.

4.We/I on behalf of the said association hereby undertake to comply with the requirements under Section 14 C of the Forward Contracts (Regulation) Act, 1952. 5.Treasury Receipt No. …… dated ……./ crossed Demand Draft on the State Bank of India, Mumbai No. …….. dated ……../crossed Postal Order No. ……... dated ……. for Rs. 50/- is attached.

Yours faithfully,

Signature of applicant

@ Newly introduced by the Forward Contracts (Regulation) (Amendment) Rules 1961, vide S.O. 1089 dated 15th May, 196.

ANNEXURE TO FORM D

Part I - General

1.Name of applicant association.

2.Address

3.Date of establishment

a.Public company limited by share capital

b.Public company limited by guarantee

c.Private Limited Company

d.Registered under an Act other than the Companies Act, 1956

e.Voluntary organization

4.Whether your association is a profit making organization

5.Please supply two copies of the audited Balance Sheet and profit and loss accounts of the Association for the last two years.

Part II - Membership

6.Number of members at the time of application.

7.Give the classification of members under broad trade interest like "sellers", "buyers", "brokers", "crushers" etc.

8.State the different classes of members (e.g. full member, associate member, non- trading member etc.) and the number in each class.

9.Give details of the privilege enjoyed by different classes of members particularly in regard to their voting rights.

10.Give details of privileges enjoyed by the different classes of members, particularly in regard to their voting rights.

11.What are the conditions of membership as regards: a.Subscription to share capita

b.Admission fee

c.Deposit

d.Annual subscription

12.State the rate of interest paid by you on members‟ deposit and the manner in which such deposits are utilized.

13.State whether under you existing constitution there are any provisions for limiting the number of members. If so give details and reasons thereof.

Part III – Board of Management

14.What is the present strength of your Board of Management/ Directors?

15.Are there any representatives of State Government/Commodity Committee on your Board of Management/Directors? If so, please furnish their names and the interest represented by them.

Part IV - Ready Contracts (Delivery to be offered within 11 days from the date of transaction)

16.Do you provide facility for performance of ready contracts? If so, state the names of commodities for which such facilities are provided.

17.State the average annual turnover in ready contracts separately for different commodities.

Part V – Forward Contracts

18.State the names of commodities and the different types of forward contracts (e.g. non-transferable specific delivery contracts, hedge contracts etc.) dealt in by you for last two years.

19.Furnish approximate figures of your annual turnover in the different types of forward contracts (e.g. non-transferable specific delivery contracts, transferable specific delivery contracts and hedge contracts), the quantity tendered, values thereof, and the amount settled through your clearing house for last two years for each commodity separately.

20.State briefly the safeguards that you generally take for ensuring delivery between the seller and the buyer under such contracts.

21.Do you have a trading "ring", If so, give details.

22.Give details of the opening and closing of the market and the regulation of the hours of trade.

23.State the unit of trading prescribed in respect of "hedge" and other types of forward contracts.

24.Give the basis of the hedge contract or any other forward contract and the tenderable varieties prescribed for such contracts.

25.Do you provide for the delivery of the commodity at stations outside the place where your association is situated?

26.What are the periods of delivery stipulated against the "hedge" or other types of forward contracts?

27.Do you provide safeguards for the prevention of "squeeze" and "bear raids" and for meeting emergencies in trading? Please give short account of any measures taken to prevent manipulation of market during the last two years.

28.Do the members of your association submit periodical reports of the business done by them?

29.What provisions have you made for periodical settlement of contracts and differences there under, the delivery of and payment for goods and the passing of delivery orders?

30.Does your clearing house guarantee the fulfillment of contracts?

31.Do you prescribe margin requirements? If so, give details.

32.Attach three copies of your standard forms of contract.

33.Do you require members to supply such information or explanation and to produce such books relating to their business as your Board of Management/Directors may require?

34.What types of penalty (e.g. fine, suspension, expulsion, etc.) do you provide for in case of contravention of bye-law by a member?

Part VI – Surveys and Arbitration

35.Do you provide facilities for the survey of samples of goods tendered in fulfillment of contracts made subject to your bye-laws or of other samples?

36.Do you provide a machinery for the arbitration of trade disputes?

37.Please state the number of samples surveyed and the number of trade disputes arbitrated during the last two years.

Yours faithfully,

President/Secretary

Date:

***FORM E**

(See Rule 7 A)

FORWARD MARKETS COMMISSION

GOVERNMENT OF INDIA

Mumbai

1.The Forward Markets Commission, hereby grants in pursuance of sub-clause(b) of clause (3) of section 14 A of the Forward Contracts (Regulation) Act, 1952 (74 of 1952) registration to

…… i.(Name and address of the association)

2.The registration hereby granted is subject to the condition (i) that the said association shall comply with such directions as may from time to time be given by the Forward Markets Commission; and (ii) that the said association

shall not conduct forward trading in any commodity other than those specified hereunder except with the previous approval of the Forward Markets Commission.

.....

(Signature of officer)

Seal of Forward Markets Commission

***FORM F**

(See Rule 7 A)

FORWARD MARKETS COMMISSION

GOVERNMENT OF INDIA

Mumbai

1.The Forward Markets Commission, having considered the application for registration made under section 14A of the Forward Contracts (Regulation) Act, 1952 by ..... (name and address of association) hereby grants, in exercise of the powers conferred by section 14B of the said Act, registration to the said association.

2.The registration hereby granted is subject to the condition (I) that the said association shall comply with such directions as may from time to time be given by the Forward Markets Commission and (ii) that the said association shall not conduct forward trading in any commodity other than those specified hereunder except with the previous approval of the Forward Markets Commission.

.....

(Signature of officer) Seal of Forward Markets Commission

***FORM G**

(See Rule 9 A)

Notice to show cause against refusal to grant registration

FORWARD MARKETS COMMISSION

GOVERNMENT OF INDIA

Mumbai

To,

.....

(Name and address of association)

.....

.....

The Forward Markets Commission, hereby calls upon you to show cause on ..... at the office of .....(Date) .....(Designation of the officer)

Why the registration should not be refused for the reasons given in the Annexure to this Notice.

.....

(Signature of officer)

Seal of Forward Markets Commission

a) [50] Substituted by Forward Contracts (Regulation) (Amendment) Rules, 1961, vide S. O. 1099 dated 15th May, 1961.

b) [51] Substituted by Forward Contracts (Regulation) (Amendment) Rules, 1961, vide S. O. 1099 dated 15th May, 1961 and amended by the Forward Contracts (Regulation) (Amendment) Rules, 1970 on the 28th March, 1970.

c) [52] Amended vide Notification No. Nil dated 23rd July, 1993.

d) [53] Amended by S.O. No. 1099 dated 15th May, 1961 and S.R.O. 2789 dated 15.11.1956.

e) [54] Amended by S.O. 1099 dated 15.5.1961.

f) [55] Substituted by S.O. 2581 dated 27th October, 1961.

g) [56] Amended vide Notification No. NIL dated 23rd July, 1993.

h) [57] Deleted by Forward Contracts (Regulation) (Amendment) Rules, 1963 vide S.O. 73 dated 7th January, 1963.

i) [58] Inserted by S. O. 1099 dated 15th May, 1961.

j) [59] Substituted by the Forward Contracts (Regulations) (Amendment) Rules, 1961, ibid.

k) [60] Substituted by S.O. 12 dated 11.2.1958.

l) [61] Inserted by S.O. 1099 dated 15.5.1961.

m) [62] Substituted by S. O. 12 dated 11.2.1956.

n) [63] Newly introduced by the Forward Contracts (Regulation) (Amendment) Rules, 1970 on the 6th October, 1970.

* Amended by Forward Contracts (Regulation)(Amendment) Rules 1961 on 15th May, 1961. * Amended by Forward Contracts (Regulation)(Amendment) Rules 1961 on 15th May, 1961.

* Newly introduced by the Forward Contracts (Regulation)(Amendment) Rules, 1961 on 15th May,1961

*Amended by the Forward Contracts (Regulation)(Amendment) Rules, 1963 vide S.O. 73 dated 7th January, 1963

* Newly introduced by the Forward Contracts (Regulation)(Amendment) Rules, 1961 on 15th May,1961