

COMPLIANCE AWARENESS SERIES - VOL.2 – LEGAL FRAMEWORK



- **Legal framework for the commodities futures market** consists of the following:
 - a. Forward Contract (Regulation) Act, 1952 (FCRA).
 - b. Forward Contract (Regulation) Rules, 1954.
 - c. Directions issued by FMC.
 - d. Bye-Laws
 - e. Rules
 - f. Business Rules and
 - g. Circulars issued by the Exchanges

- Forward Markets Commission, the regulator for the commodities futures Market, has been constituted as per Section 3 of FCRA. FMC has been granted powers to regulate the commodities futures market under Sections 4, 4A, 12B, etc. of FCRA.

- Recognition to commodity exchanges (referred to as “association” in FCRA) is granted under Section 6 of FCRA.

- Bye Laws of the Exchange are framed with the approval of the Forward Markets Commission under Section 11 of FCRA.

- Rules of the Exchange are framed with the approval of the Forward Markets Commission under Section 9 A of FCRA.

- The Bye-laws, Rules, Business Rules and circulars are available on our website www.mcxindia.com under the link Membership>Legal Framework.

We also request members to read the FAQs available under the link Membership.