

**Department of Consumer Affairs
Ministry of Consumer Affairs, Food and Public Distribution
Government of India**

**GUIDELINES FOR GRANT OF RECOGNITION TO NEW COMMODITY
EXCHANGE UNDER THE PROVISIONS OF THE FORWARD CONTRACTS
(REGULATION) ACT, 1952***

F. No. 12/1/2007-IT

Dated 14th May 2008

Preamble

Forward trading in commodities is regulated under the provisions of the Forward Contracts (Regulation) Act, 1952 (hereinafter referred as FCR Act). The Associations / companies organizing such trading are required to obtain recognition from the Government of India under the FCR Act. At present, there are 22 recognized Commodity Exchanges including 3 National Multi Commodity Exchanges (NMCEs).

2. The volumes of trades in the commodities derivative market has increased manifold after setting up of electronic Exchanges with 'national' status.

3. Grant of recognition to new National Commodity Exchanges was done within the framework of Press Note issued on 8th March 2002. 3 National Exchanges came in to existence in late 2003 through this process. The Commodity Futures Markets has grown substantially since then. There is a renewed interest in establishing new National Commodity Exchanges. Accordingly, the question of formulation of a framework governing establishment of National Commodity Exchanges was under consideration of Government for some time past. The Government hereby lays down the revised guidelines for making an application for setting up of a nation-wide multi-commodity Exchange in future, as under.

* As amended vide F.No. 12/1/2007-IT, dated 17.6.2010

