

**LAW
OF THE RUSSIAN FEDERATION
NO. 2383-1 OF FEBRUARY 20, 1992
ON COMMODITY EXCHANGES AND TRADE ON THE EXCHANGE
(with the Additions and Amendments of June 24, 1992, April 30, 1993,
June 19, 1995, March 21, 2002)**

Section I. General Provisions

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Resolution of the Supreme Soviet of the Russian Federation
on the Enactment of the Law of the Russian Federation
on Commodity Exchanges and Trade on the Exchange

This Law shall regulate the terms governing the establishment and the activities of commodity exchanges and trade on the exchange. The law shall also provide legal guarantees for the activity on commodity exchanges.

SECTION I. GENERAL PROVISIONS

Article 1. The Legislation on Commodity Exchanges and Trade on the Exchange

The terms, concerning the activities of commodity exchanges (their affiliated branches and other separate subdivisions) and trade on the exchange, shall be regulated by this Law and other legislation of the Russian Federation, and also by constituent instruments of the exchanges, regulations of trade on the exchange, and other internal documents of the exchanges adopted in conformity with legislation.

The terms, concerning the activities of labour exchanges, stock and currency exchanges, and also stock and currency sections (departments) of commodity, commodity-stock and universal exchanges, shall not be regulated by this Law.

Article 2. The Concept of the Commodity Exchange

1. The commodity exchange is, for purposes of this Law, understood to be an organization with the rights of a legal person, which forms a wholesale market by organizing and regulating trade on the exchange in the form of public auctions held in a certain place chosen in advance and at fixed hours in accordance with the rules it has established.

2. The commodity exchange may have affiliated branches and other separate subdivisions set up in accordance with the legislation.

The commodity exchange is hereinafter also referred to as "the exchange".

Article 3. The Sphere of Activity of the Commodity Exchange

1. The exchange shall have the right to carry out its activity directly connected with the organization and regulation of trade on the exchange with the exception of activity provided for by Clauses 2 and 3 of this Article.

2. The exchange may not carry out commercial-intermediary and other commercial activity which is not directly connected with the organization of trade on the exchange. This restriction shall not extend to a legal or natural person who is a member of the exchange.

3. The exchange shall not have a right to make deposits, acquire shares and stocks from enterprises, institutions or organizations unless the enterprises, institutions and organizations

themselves aim to carry out the activity provided for by Clause 1 of this Article.

Article 4. The Unions, Associations and Other Corporations of Exchanges

1. Exchanges may form unions, associations and other corporations to coordinate their activity, protect their members' interests and to implement joint programmes, including those designed for organizing joint tenders.

2. It shall be forbidden to form unions, associations and other corporations of exchanges, if the formation is inconsistent with the requirements of the antimonopoly legislation of the Russian Federation or with this Law; agreements and actions of exchanges aimed at or involving the removal or restriction of competition of trade on the exchange are also unlawful.

Federal Law No. 31-FZ of March 21, 2002 reworded Article 5 of this Law. The amendments shall come into force as of July 1, 2002

See the previous text of the Article

Article 5. The Restriction of the Use of the Words "Exchange" and "Commodity Exchange" in the Names of Enterprises, Institutions and Organizations

Enterprises, institutions and organizations as well as their affiliated branches and other separate subdivisions that do not meet the requirements of [Articles 2](#) and [3](#) of this Law, shall not have the right to organize trade on the exchange and use in their names the words "exchange" or "commodity exchange".

Article 6. The Commodities on the Exchange

1. The exchange commodity is, for purposes of this Law, understood to be a commodity of a definite type and quality that is not drawn from the turnover, including the standard contract and the bill of lading for the commodity mentioned, which in accordance with established procedure has been allowed for trading by the exchange.

2. Real estate and objects of intellectual property may not be exchange commodities.

Article 7. Transactions on the Exchange

1. The contract (agreement) of exchange of commodities, concluded by participants of the exchange during exchange auctions and which is registered by the exchange shall be an exchange transaction. The procedure for registration and formalization of exchange transactions shall be established by the exchange.

2. Transactions which are made on the exchange but which do not meet the requirements of Clause 1 of this Article shall not be exchange transactions. The guarantees of the exchange shall not apply to such transactions.

The exchange shall have the right to implement sanctions against the participants of the exchange who make other transactions in the exchange.

3. Exchange transactions may not be made on behalf of and at the expense of the exchange.

Article 8. The Types of Exchange Transactions

For purposes of this Law, the members of trade on the exchange may in their work make transactions connected with the following:

- the mutual transfer of rights and duties with regard to real goods;
- the mutual transfer of rights and duties with regard to real goods with delayed delivery (forward transactions);
- the mutual transfer of rights and duties with regard to standard contracts for the delivery of exchange goods (futures transactions);
- the assignment of rights to the future transfer of rights and duties with regard to exchange goods or to the contract of the delivery of exchange goods (option transactions);
- and also other transactions with regard to exchange goods, contracts or rights established by regulations for trade on the exchange.

About forward, future and option exchange transactions see [Letter](#) of the State Anti-Monopoly Committee of the Russian Federation No. 16-151/AK of July 30, 1996

Article 9. The Exchange Intermediary on Commodity Exchanges

1. Trade on the exchange shall be conducted by means of:
 - the exchange intermediary's completing exchange transactions on behalf of the client and at his expense, in the name of the client and at his own expense or on his own behalf and at the client's expense (brokerage);
 - the exchange intermediary's completing exchange transactions on his own behalf and at his own expense with the subsequent resale on the exchange (dealings).
2. Exchange intermediary in trade on the exchange shall be conducted exclusively by exchange intermediary.

Article 10. The Exchange Intermediary

1. Exchange intermediaries are, for the purposes of this Law, understood to be brokerage houses, brokerage offices and independent brokers.
2. The brokerage house is an enterprise set up in accordance with the [Law of the Russian Federation](#) on Enterprises and Entrepreneur Activity.
3. The brokerage office is, for the purposes of this Law, an affiliated branch or another separate subdivision of the enterprise, institution or organization that has a separate balance-sheet and a settlement account.
4. An independent broker shall be a natural person registered as an entrepreneur in accordance with established procedure and who is exercising his activity without the formation of a legal person.

SECTION II. THE ESTABLISHMENT AND ORGANIZATION OF A COMMODITY EXCHANGE AND THE PROCEDURE FOR THE TERMINATION OF ITS ACTIVITY

Article 11. The Establishment of a Commodity Exchange

1. An exchange may be established by legal and/or natural persons and shall be subject to state registration in accordance with established procedure.

See [Federal Law No. 129-FZ of August 8, 2001 on the State Registration of Legal Entities](#)

2. The following bodies and persons may not participate in the establishment of an exchange:
 - federal and local authorities and administration officials;
 - banks and credit institutions which have received licenses for banking operations in agreement with the statutes;
 - insurance and investment companies and funds;
 - non-governmental, religious and charitable associations (organizations) and funds;
 - natural persons who according to the law are forbidden to participate in entrepreneurial activity.
3. The share of every founder or of a member of the exchange may not exceed ten per cent of its authorized capital.

Article 12. The License for the Organization of Trade on the Exchange

1. Trade on the Exchange may be conducted in the exchanges only if they possess the licenses issued in agreement with the statutes by the Commission for Commodity Exchanges under the State Committee of the Russian Federation for Antimonopoly Policy and Support for New Economic Structures.

The exchange shall have the right to apply for a license, if by the time of application the amount of investments in the authorized capital consists of not less than fifty per cent of the amount declared.

2. A license for the organization of trade on the exchange shall be given to the exchange after ascertaining that its articles of incorporation and trading regulations for the exchange are in compliance with this Law and other legislation of the Russian Federation and also on condition that the instruments are drawn properly and submitted to the Commission within two months after submitting the application for the license.

3. The Commission for Commodity Exchanges shall have the right to send inquiries to higher and local authorities and administrations, including the ministries and departments of the Russian Federation, and also to banks and other enterprises, institutions and organizations about the accuracy of information given by the applicant.

4. If the exchange is denied a license, it shall have the right to reapply for a license to the

Commission of Commodity Exchanges and the new application concerning the issuing of a license is to be considered within one month of it being received.

The exchange shall have the right to appeal in court against the refusal of the Commission to issue the license.

*Item 5 of Article 12 of the present Law was changed as of April 30, 1993 on procedure for carrying into effect see [reference on the document](#)
[see previous text of the Item](#)*

5. The procedure for the issue, annulment and suspension of the validity of licenses shall be determined by the Regulations for Licenses of Commodity Exchanges, which are approved by the Government of the Russian Federation.

The said [Regulations](#) was approved by [Decision](#) of the Government of the R.F. No. 152 of February 24, 1994

On fee for issuing the licence to a commodity exchange see [Decision](#) of the Government of the R. F. No. 151 of February 15, 1994

Article 13. The Liquidation of a Commodity Exchange

A commodity exchange may be liquidated through the decision of the management body of the exchange and also by a court of law or an arbitration court in the manner and on the conditions provided for by the legislation of the Russian Federation.

Article 14. The Members of a Commodity Exchange

1. Legal or natural persons (with the exception of those listed in Clause 2 of this Article) who take part in the formation of the authorized capital of an exchange or pay in membership fees or other special-purpose deposits to the exchange's assets and who have become members of the exchange in the order prescribed for by its articles of incorporation may become members of the exchange for the purpose of this Law.

2. The following bodies or persons may not be members of a commodity exchange:

- employees of any commodity exchange;
- enterprises, institutions and organizations, if their managers (deputy managers or managers of their affiliated branches and other isolated subdivisions) are officials of a given exchange;
- federal and local authorities and administrations officials;
- banks and credit institutions which in accordance with established procedure have received licenses for the exercise of banking operations, insurance and investment companies and funds. The institutions mentioned may be members of the fund and currency sections (departments) of the commodity exchanges;
- non-governmental, religious and charitable associations (organizations) and funds;
- natural persons who by virtue of the law may not carry out business activity.

3. Membership of the exchange entitles persons:

- to take part in trade on the exchange in accordance with this Law;
- to take part in the decision-making at general meetings of the members of the exchange and also in the work of other management bodies of the exchange in accordance with the provisions in the articles of incorporation and other exchange rules;
- to receive dividends, if they are provided for by the articles of incorporation of the exchange and enjoy other rights stipulated for by the of the exchange.

4. Membership of the exchange shall arise in the manner and on the conditions prescribed for in its articles of incorporation and shall be confirmed by a relevant certificate issued by the exchange.

5. The order of termination of the membership and also of full or partial assignment of the rights of the exchange's members rights shall be determined by the exchange while taking into account the requirements provided for by Clauses 6 and 7 of this Article.

6. No right to take part in trade on the exchange without the transfer or sale of certificates (titles) of ownership of the share of the authorized capital and the rights to participate in the management of

the exchange shall be allowed, with the exception of cases provided for by this Law.

7. The exchange members shall, for the purposes of this Law, be entitled to lease (assign for a definite period) their right to participate in trade on the exchange only to one legal or natural person. No sublease (assignment) of rights to participate in trade on the exchange shall be allowed.

8. The refusal of the exchange to approve membership, as well as its decision to expel its members or to suspend the membership on grounds not provided for by the Rules of the exchange may be appealed in court.

9. The members of the exchange who are its founders may have special rights and duties to the exchange which come outside the sphere of trade on the exchange, provided that these rights and duties are defined in the Rules of the exchange and that they do not violate the equality of the rights of the founders and other members of the exchange in trade on the exchange. The rights mentioned shall be conceded to the founders not more than three years after the state registration of the exchange.

Article 15. The Categories of Members of the Commodity Exchange

There may be the following categories of exchange members:

full members -- those with the right to participate in exchange tenders of all sections (departments) of the exchange and with the right to possess a definite number of votes, determined by the articles of incorporation, at a general meeting of the members of the exchange and at general meetings of the members of the section (department);

non-full members -- those with the right to take part in exchange tenders of the appropriate section (department) of the exchange and with the right to possess a definite number of votes determined by the articles of incorporation, a general meeting of the members of the exchange and at a general meeting of the members of a section (department) of the exchange.

Article 16. The General Meeting of the Members of the Commodity Exchange

1. The general meeting of the members of the exchange shall be the supreme management body of the exchange.

2. The general meeting of the members of the exchange shall ensure the implementation of all the rights and duties of the exchange and its members.

Article 17. The Rules of the Commodity Exchange

The Rules of the exchange shall determine the following:

the structure of the management and of the bodies controlling the exchange, their functions and powers, the order of decision-making;

the size of the authorized capital;

the list and the procedure for permanent funds formation;

the maximum number of exchange members;

the procedure for admittance to membership of the exchange and for the termination of membership;

the rights and duties of the members of the exchange and of other participants of trade on the exchange;

the procedure of settlement of disputes about exchange transactions between the participants of trade on the exchange, the activities of the exchange, its affiliated branches and other separate subdivisions.

Article 18. The Rules for Trade on the Exchange

The rules of trade on the exchange shall determine the following:

the procedure of conducting exchange tenders;

the types of exchange transactions;

The names of commodity sections;

the list of the basic structural subdivisions of the exchange;

the procedure for informing the participants trading on the exchange about forthcoming exchange tenders;

the procedure for registration and stocktaking of exchange transactions;

the procedure for quotation of prices for exchange goods;

the procedure for informing the participants trading on the exchange about exchange

transactions of previous exchange tenders, as well as about prices of exchange transactions and the quotation of exchange prices;

The procedure for informing the exchange members and other participants trading on the exchange about commodity markets and market conditions of exchange goods;

the procedure of mutual settlements between the exchange members and other participants trading on the exchange during the conclusion of the exchange transactions;

Federal Law of the Russian Federation No. 89-FZ of June 19, 1995 on Amending the Legislative Acts of the Russian Federation in Connection with the Adoption of the Laws of the Russian Federation on Standardization, on Ensuring the Unity of Measurements, and on the Certification of Products and Services supplemented Article 18 of this Law with the twelfth paragraph

measures to ensure the safety of the exchange goods realized on the exchange tenders and subject, in accordance with the laws of the Russian Federation, to obligatory certification and intended for sale on the territory of the Russian Federation, in the presence of the conformity certificate and mark, issued or recognized by a body authorized to do so;

measures to exercise control over the process of price formation on the exchange with a view to prevent a sharp day-time rise or fall of prices, artificial increase or decrease of prices, collusion or spreading of false rumours in order to affect prices;

measures to secure the order and discipline at exchange tenders and also the procedure and conditions for the application of these measures;

measures to ensure that the exchange members and other participants trading on the exchange observe decisions taken by authorities and administrations, on questions concerning the activities of the exchanges, their articles of incorporation, the rules of trade on the exchange, and decisions of the general meeting of members of the exchange and of other management bodies of the exchange;

the list of violations for which the exchange exacts fines from members of trade on the exchange and also the size of the fines and the procedure of their exaction;

the size of the deductions, dues, tariffs and other payments and the procedure for their collection by the exchange.

SECTION III. THE ORGANIZATION OF TRADE ON THE EXCHANGE AND ITS PARTICIPANTS

Article 19. The Participants of Trade on the Exchange

1. Participants trading on the exchange may, for the purposes of this Law, be members of the exchange, permanent and temporal visitors.

2. Visitors at the exchange tenders shall participate in trade on the exchange taking into account the restrictions provided for by Article 21 of this Law.

3. Foreign legal and natural persons who are not members of the exchange may participate in trade on the exchange exclusively through exchange intermediaries.

Article 20. The Participation of the Members of the Commodity Exchange in Trade on the Exchange

1. Members of the exchanges who are brokerage houses or independent brokers shall carry out trade on the exchange directly on their own behalf, for themselves and at their own expense or on behalf of their client and at his expense, or on their own behalf and at the client's expense, or on behalf of their client and at their own expense.

2. Members of the exchanges who are not brokerage houses or independent brokers shall take part in trade on the exchange:

- directly on their own behalf only if trading cash commodities, at their own expense and without the right to use exchange intermediary;

- through brokerage offices organized by them;

- on a contractual basis with brokerage houses, brokerage offices and independent brokers who carry out their activity in the exchange at question.

Article 21. The Visitors to Exchange Tender

1. Visitors to exchange tenders are, for the purposes of this Law, understood to be legal and natural persons who are not members of the exchange and who have the right to complete exchange transactions in accordance with the articles of incorporation of the exchange. Visitors to exchange tenders may be permanent and temporal.

2. Permanent visitors represented by brokerage houses, brokerage offices or independent brokers shall have the right to exercise exchange intermediary in the manner and on the conditions established by this Law for members of the exchange taking into account the restrictions provided for by Clauses 3 and 4 of this Article.

3. Permanent visitors shall not take part in the formation of authorized capital and in management of the exchange.

Permanent visitors shall enjoy the services of the exchange and shall be obliged to pay for the right to participate in trade on the exchange at the amount determined by the appropriate management body of the exchange.

The right to take part in exchange tenders shall not be granted to a permanent visitor for a term exceeding three years.

4. The number of permanent visitors shall not exceed thirty per cent of the total number of exchange members.

5. Temporary visitors at exchange tenders shall have the right to complete transactions on their own behalf, for themselves and at their own expense with cash commodity only.

Article 22. The Exchange Brokers

Exchange transactions shall be completed at exchange tenders through exchange brokers.

Office workers or representatives of enterprises, institutions and organizations which are members of the exchange, and exchange intermediaries and independent brokers shall be exchange brokers.

*Article 23 of the present Law was changed as of April 30, 1993
on procedure for carrying into effect see [reference on the document](#)
[see previous text of the Article](#)*

Article 23. The Licensing of Exchange Intermediaries and Brokers

Futures and option transactions shall be completed in trade on the exchange by exchange intermediaries and exchange brokers on the basis of licenses issued by the Commission for Commodity Exchanges.

The conditions for the licenses which are to be given for completing futures and option transactions in trade on the exchange by exchange intermediaries and exchange brokers shall be approved by the Government of the Russian Federation.

[Regulations on Licensing of Activities of Exchange Dealers and Exchange Brokers Carrying out Trade Futures and Optional Transactions in Exchange Business](#) were approved by [Decision of the Government of the Russian Federation No. 981 of October 9, 1995](#)

The Commission for Commodity Exchanges shall have the right to delegate to brokers' guilds or their associations the right to issue licenses to exchange intermediaries and exchange brokers.

Article 24. The Record-keeping of Exchange Transactions by Exchange Intermediaries

Broking firms, brokerage offices and independent brokers shall be obliged to keep records of exchange transactions made in trade on the exchange in respect to every client and to preserve the information about these deals for five years from the day they were completed.

Brokerage firms, brokerage offices and independent brokers shall be obliged to submit the information mentioned upon request from the Commission for Commodity Exchanges.

Article 25. The Relations Between Exchange Intermediaries and Their Clients

1. Relations between exchange intermediaries and their clients shall be determined on the basis of appropriate contracts.

2. The Exchange may within the limits of its authority regulate the mutual relations between

exchange intermediaries and their clients and implement, in agreement with the statutes, sanctions against exchange intermediaries who violate the rules that govern the relations between exchange intermediaries and their clients.

3. Exchange intermediaries shall have the right to demand that their clients pay in the guaranteed deposit into their settlement accounts opened with settlement institutions (clearing centres), and also the right of the disposal of these deposits on behalf of the exchange intermediaries in accordance with the order given to him.

Article 26. The Brokers' Guilds and Their Associations

1. Exchange intermediaries and brokers shall have the right to set up brokers' guilds in particular attached to exchanges. Brokers' guilds may unite into associations.

2. Brokers' guilds and their associations shall be set up in the manner and on the conditions established by the legislation for non-governmental associations (organizations).

Article 27. The Commodity Inspection of a Commodity Exchange

At the request of a participant of trade on the exchange the exchange shall be obliged to organize an inspection in order to assess the quality of the cash commodities sold during exchange tenders.

Article 28. The Guarantees of Trade on the Exchange for Forward, Futures and Option Transactions

1. In order to secure the execution of forward, futures and option transactions completed in the exchange, the latter shall be obliged to organize settlement services by means of setting up settlement institutions (clearing centres) in accordance with the statutes or by means of concluding contracts with banks or credit institutions in order to organize settlement (clearing) services.

2. Clearing centres may be set up as organizations of exchange intermediaries independent of the exchanges.

3. Clearing centers shall have the right:

- to establish the kinds, the amounts and the procedure for exacting deposits that guarantee the execution of forward, futures and options transactions and the compensation for damages inflicted as a result of a complete or partial failure to perform the obligations during these transaction, and also to determine other financial obligations of the participants of such deals;

- to carry out, in accordance with the statutes, crediting and insurance of participants in forward, futures and options transactions within the limits necessary for the guarantees of these deals, and also for compensation of damages in case of non-performance.

Article 29. Guarantees of Free Prices in Trade on the Exchange

1. The exchange shall have the right to independent and free establishment of the following:

- deductions, for the benefit of the exchange, from commission charges received by exchange intermediaries in reward for go-between operations in the exchange;

- dues, tariffs and other payments exacted for the benefit of the exchange from its members and other participants in trade on the exchange for services rendered by it and its subdivisions;

- fines exacted for violating the Rules of the exchange, the trading regulations for the exchange and other rules established by the internal documents of the exchange.

2. The exchange shall be forbidden to establish:

- price limits of the commodities traded on the exchange;

- the size of the remunerations charged by intermediaries of the exchange for intermediaries of exchange business.

Item 4 of Article 30 was excluded by the Law of the RF of June 24, 1992 on Introducing Additions and Amendments to the Civil Code of the RSFSR, ... to the Laws of the RF ... on Commodity Exchange and Trade on the Exchange ...

[See text of the item 4 of Article 30](#)

Article 30. Settlement of Disputes at a Commodity Exchange

1. Disputes over the conclusion of exchange deals shall be examined by an arbitration commission of the exchange, at a court of law or an arbitration court.

2. The arbitration commission of the exchange shall be set up as a body that reconciles the parties or which performs other functions of an arbitration tribunal.

3. The regulations for the arbitration commission of the exchange and for the procedure of examining disputes shall be approved of by the exchange in accordance with the legislation.

4. A decision taken by the arbitration commission of the exchange may be disputed in accordance with the statutes in a court of law or an arbitration court.

Article 31. The Foreign Economic Activity of Commodity Exchanges

1. The exchange shall be entitled, on its own behalf, to agree to cooperate with foreign legal and natural persons within the bounds of the rights granted by this Law and other legislation, e.g. to make agreements about the import of commodities intended for the functioning of the exchange in accordance with [Article 2](#) of this Law and without the right to put up these commodities at exchange tenders.

The exchange shall have no right to import commodities which are intended to be put up at exchange tenders or to be used for purposes not provided for in this Article.

2. The export and import of commodities intended to be put up at exchange tenders shall be carried out by exchange intermediaries or their clients in the manner established by the legislation and by this Law.

Article 32. The Employees of Commodity Exchanges

1. Natural persons who participate in the activities of the commodity exchange on the basis of a labour contract, shall be its employees.

The labour conditions for the employees of the exchange shall be regulated by a labour contract and in accordance with this Law and other legislation.

2. The employees of the exchange shall not be allowed to take part in exchange transactions or to set up their own brokerage houses and they are also not allowed to use official information for their own interests.

SECTION IV. THE STATE REGULATIONS OF THE ACTIVITIES OF COMMODITY EXCHANGES

Article 33. The Commission for Commodity Exchanges

1. A Commission for Commodity Exchanges shall be set up under the State Committee of the Russian Federation for Antimonopoly Policy and Support for New Economic Structures to exercise state regulation of and control over the activities of commodity exchanges.

On the protection of legal entities' and individual entrepreneurs' rights in the case of exercise of state control (supervision) see [Federal Law No. 134-FZ of August 8, 2001](#)

Items 2 and 3 of Article 33 of the present Law was changed as of April 30, 1993 on procedure for carrying into effect see [reference on the document see previous text of the Items](#)

2. The Regulations for the Commission for Commodity Exchanges and its compositions shall be approved by the Government of the Russian Federation.

The said [Regulations](#) was approved by [Decision](#) of the Government of the R.F. No. 152 of February 24, 1994

3. The Chairman of the Commission for Commodity Exchanges shall be approved by the Government of the Russian Federation for a term of five years upon the representation by the State Committee of the Russian Federation for Antimonopoly Policy and Support for New Economic Structures. The Government of the Russian Federation may release the Chairman of the Commission from his post prior to the end of his term without removing him from his seat in the Commission.

4. The composition of the Commission for Commodity Exchanges shall include representatives

of public authorities whose activity is associated with the regulation of commodity markets and also representatives of exchange unions, associations and other voluntary associations of entrepreneurs, as well as experts.

Article 34. The Functions of the Commission for Commodity Exchanges

1. The Commission for Commodity Exchanges shall perform the following tasks:

- issue licenses for the organization of trade on the exchange;
- carry out or check the licensing of exchange intermediaries and brokers;
- ensure that the legislation concerning exchanges is observed;
- organize a study of the activities and development of exchanges;
- work out methodological recommendations for the preparation of exchange documents;
- organize the consideration by the Commission of complaints about abuses and breaches of the legislation of trade on the exchange submitted by participants trading on the exchange.

*Item 2 of Article 34 of the present Law was changed as of April 30, 1993
on procedure for carrying into effect see [reference on the document](#)
[see previous text of the Item](#)*

2. The Commission for Commodity Exchanges shall work out and submit to the standing commissions of the chambers and the committees of the Government of the Russian Federation proposals of improvements of the legislation concerning commodity exchanges.

Article 35. The Powers of the Commission for Commodity Exchanges

The Commission for Commodity Exchanges shall have the right to:

- refuse to issue a license to an exchange for the organization of trade on the exchange if its articles of incorporation and rules of trade on the exchange are inconsistent with the requirements provided for by [Clause 2 of Article 12](#) of this Law, and also to postpone the issuing of a license in case of violation of the Regulations for Licensing of Commodity Exchanges;
- revoke the license issued to the respective exchange or suspend its operation, if the exchange violates legislation;
- send to the exchange the obligatory injunction designed to repeal or amend provisions in its articles of incorporation, rules of trade on the exchange, decisions by the members of the exchange or its other management bodies at general meetings or to terminate activity which is inconsistent with legislation;
- send to the intermediaries of the exchange the obligatory injunction designed to terminate activity which is inconsistent with legislation;
- implement appropriate sanctions against the exchange or its intermediaries if they have breached legislation, or failed to execute or untimely executed the injunctions of the Commission;
- appoint a state commissioner to the exchange;
- organize audits of the activity of exchanges and their intermediaries in agreement with the bodies of financial control of the Russian Federation;
- demand that the exchanges of settlement institutions (clearing centres) and their intermediaries submit accounting documents;
- forward materials to a court of law or an arbitration court with the purpose to implement statutory sanctions against exchanges and their members who have breached legislation and in case of discovery of indications of a crime, submit materials to the corresponding lawenforcement bodies.

Article 36. Sanctions for Breaches of this Law

1. The Commission for Commodity Exchanges shall have the right to implement sanctions against the exchange in the form of suspending, for a period of three months, the validity of the license given to the exchange for the organization of trade on the exchange in case of violation of the legislation provided for by [Clauses 2, 3](#) of Article 3; [Clause 2](#) of Article 4; [Clause 3](#) of Article 7; [Clause 3](#) of Article 11; [Clauses 2](#) (Paragraph 3, 4 and 5) and [7](#) of Article 14; [Clause 2](#) (Paragraph 1) of Article 20; [Clause 1](#) of Article 28; [Clause 2](#) of Article 29; [Clause 1](#) of Article 31 of this Law.

2. The Commission shall have the right to revoke the license issued to the exchange for the organization of trade on the exchange if the exchange continues to violate the provisions of this Law

provided for by Clause 1 of this Article.

3. The Commission for Commodity Exchanges shall have the right to implement its sanction against the exchange in the form of a penalty in the following cases:

- in case of the holding of exchange tenders without a license or in case of revocation or suspension of its operation - at an amount of 100,000 roubles;
- in case of breach of the procedure of circulation of information among the members of the exchange and the participants in trade on the exchange about forthcoming and previous tenders - at an amount of 30,000 roubles;
- in case of breach of the exchange's order of control over the mechanism of price formation - at an amount of 50,000 roubles;
- in case of the exchange does not submit, within a week, information or documentation required by the Commission in accordance with [Article 35](#) of this Law - at an amount of 25,000 roubles;
- in case of breach of the provisions in the articles of incorporation of the exchange about the maximum number of members - at an amount of 100,000 roubles;
- in case of use, by legal persons, of the words "exchange" or "commodity exchange" in their name and/or advertisement, with the exception of cases provided for by [Article 1](#) of this Law - at an amount of 500,000 roubles;
- in case of use, by the exchange that has no license for organizing trade, of the word "exchange" in its name and/or advertisement on the expiry of three months after the date of its state registration - at an amount of 500,000 roubles.

4. The information received by the Commission for Commodity Exchanges and its officials and office workers, from the exchange and/or exchange broker, intermediaries and other participants in trade on the exchange shall be regarded as confidential and not subject to announcement without the consent of the latter.

The Commission, its officials and employees are not allowed to disseminate information which contains commercial secrets about commodity exchanges and/or exchange brokers, intermediaries and other participants trading on the exchange.

5. Sanctions provided for by this Article shall be implemented by a court of law.

6. The amounts of penalties exacted in accordance with this Article shall be transferred to the republican budget of the Russian Federation.

Article 37. The State Commissioner at the Commodity Exchange

1. The state commissioner at the commodity exchange shall exercise direct control over the observance of legislation by the exchanges and their intermediaries.

2. The state commissioner at the exchange shall have the following rights:

- to attend exchange tenders;
- to take part at general meetings of the members of the exchange and at general meetings of the section members (department) with a consultative voice;
- to get informed about the activity of the exchange, including all minutes of general meetings and councils of its management bodies and their decisions, including those of a confidential nature;
- to submit proposals and make representations to the governing body of the exchange;
- to advance proposals to the Commission for Commodity Exchanges;
- to exercise control over the execution of decisions taken by the Commission for Commodity Exchanges.

Item 2 of Article 37 of the present Law was changed as of April 30, 1993 on procedure for carrying into effect see [reference on the document see previous text of the Item](#)

3. The rights and duties of the state commissioner shall be defined by this Law and by the Regulations for the State Commissioner, approved of by the Government of the Russian Federation upon the representation of the Commission of Commodity Exchanges.

The said [Regulations](#) was approved by [Decision](#) of the Government of the R.F. No. 152 of

February 24, 1994

4. The state commissioner shall not have the right to independently make decisions which are binding.

Article 38. Guarantees of the Self-Government of Commodity Exchanges

1. Intervention by higher and local authorities and administrations in the activity of the exchanges shall not be allowed, with the exception of cases concerning breach of this Law and other legislation.

2. Decisions of higher and local authorities and administration officials which cause transactions not to be executed and/or inflict damage to the parties of exchange transactions shall be recognized as unlawful by courts of law.

The federal and local authorities and administration officials, as well as their officials whose deeds caused transactions of the exchange not to be executed and/or inflict damage to the parties of transactions shall bear full liability and compensate the injured parties in full for damages, including lost profits. The damage shall be reimbursed from the appropriate budgets.

President of the Russian Federation

Boris Yeltsin

Moscow, the House
of Soviets of Russia
February 20, 1992
No. 2383-1