

GOVERNMENT NOTICE NO. 146 published on 29/4/2016

THE COMMODITY EXCHANGES ACT
(ACT NO. 19 OF 2015)

REGULATIONS

(Made under section 7 (4) and 86)

THE COMMODITY EXCHANGES REGULATIONS, 2016

PART I
PRELIMINARY PROVISIONS

- Citation 1. These Regulations may be cited as the Commodity Exchanges Regulations, 2016.
- Application 2. These Regulations shall apply to commodity exchanges and commodity market intermediaries.
- Interpretation 3. In these Regulations, unless the context requires otherwise-
- Act No: 19
of 2015
Cap. 79 “Act” means the Commodity Exchanges Act;
- “Authority” means the Capital Markets and Securities Authority established under section 6 (1) of the Capital Markets and Securities Act;
- “Board” means the members of the Authority appointed in accordance with section 6 (3) of the Capital Markets and Securities Act ;
- “Commodity Exchange” has the meaning ascribed to it in the Act;
- “License” means a license granted pursuant to the provisions of Part III and IX of the Act;
- “Market intermediary” has the meaning ascribed to it in the Act;
- “Tribunal” means the Capital Markets Tribunal established under the Capital Markets and Securities Act;

**PART II
ELEGIBILITY CRITERIA AND APPLICATION PROCEDURE AND
PROCESS**

Licensing
criteria

4.-(1) The criteria set out by the Act in Part III with respect to Commodity Exchanges and Part IX with respect to commodity market intermediaries shall be complied with by applicants before the Authority considers approving an applicant as an exchange or market intermediary as the case may be.

(2) The Authority shall exercise discretion as to the application and interpretation of the criteria, as it deems fit and may, by way of guidelines or circulars provide guidance on the interpretation and application of any criteria.

Application
Procedure

5.-(1) An application for licenses or renewal of a licence under the Act shall be made by completing and submitting to the Authority the following forms set out in the First Schedule:

- (a) Form No. 01 for commodity exchanges;
- (b) Form No. 02 for Commodity Broker's or Commodity Dealers Licence;
- (c) Form No. 3 for Commodity Trading Advisor's Licence;
- (d) Form No. 4 for renewal of Licences;
- (e) Form No. 5 for a Representative Licence;
- (f) Form No. 6 for Renewal of a Representative Licence

(2) The applications shall also be accompanied by -

- (a) all supporting documentation and annexures requested in the Forms;
- (b) proof of payment of the application fees as may be prescribed by the Authority from time to time.

(3) The Authority may request any other information, documentation or confirmations from the applicant or other persons as it may require in considering the application.

Evaluation
of
applications

6.-(1) The Authority shall, upon receipt of the application, review the application to satisfy itself on the applicant's compliance with the eligibility criteria and other requirements of the law.

(2) The Authority shall consider an application and inform

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the applicant of its decision within 45 days.

(3) Where it is found during the review of the application that the applicant has not provided sufficient information to enable the Authority make specific recommendation, the Authority may write to the applicant requesting for further information.

(4) In the event that the Authority has invoked the provisions of sub regulation (3), the time specified in sub-regulation (2) shall be reckoned from the date the complete application is submitted to the Authority.

(5) Before determination of the application, the applicant who has complied with the eligibility criteria and other licensing requirements, shall be subjected to the following verification process:

- (a) previous financial fraud or criminal record verification by the relevant government authority by submitting the names and other forms of identification to the office of the Director of Criminal Investigations of all individuals including the directors and principal officers intended to carry out the business for which the licence is sought;
- (b) on-site inspection of the applicants place of business to be conducted by the Authority with a view to verifying the applicant's compliance with the licensing criteria and requirements stipulated in the Act.

(6) The reports of the verification process referred to in sub-regulation (5) shall be the basis for the recommendation to grant the licence or decline the application.

(7) The Authority shall determine whether or not to grant the licence taking into consideration the recommendation of the verification processes in sub-regulations (1) and (5).

Grant of
licences

7. Subject to the provisions of the Act with regard to grant of licences, a commodity broker's licence, commodity dealer's licence, commodity trading adviser's licence or commodity pool operator's licence shall be granted if the applicant meets the minimum financial requirements prescribed by the Authority for the relevant category of business undertaken the licensee.

Grant of
representa-
tive's
licence

8.- (1) A representative's licence shall be granted only to a natural person.

(2) The Authority shall grant or renew a representative's

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licence if after consideration of the application; it is satisfied that the applicant shall perform the duties of the holder of representative's licence, efficiently, honestly and fairly.

(3) The licences issued by the Authority shall be in the form set out in the **Second Schedule**.

Refusal of
grant of
licences

9.-(1) Where an application is duly made for the grant or renewal of licence, the Authority may refuse the application if-

- (a) in the case of an applicant who is a natural person—
 - (i) the applicant has been adjudged bankrupt;
 - (ii) the applicant has been convicted in Tanzania or elsewhere of an offence involving fraud or dishonesty punishable on conviction with imprisonment for a term of three months or more;
 - (iii) the Authority is not satisfied as to the educational qualifications set out in **Part B of the First Schedule** or experience of the applicant having regard to the nature of the duties of a holder of a licence;
 - (iv) the applicant is not of good reputation or character; or
 - (v) the Authority is satisfied that the applicant will not perform the duties of a holder of a licence, efficiently, honestly and fairly;
- (b) in the case of an applicant that is a body corporate—
 - (i) the body corporate is in the course of being wound up;
 - (ii) the body corporate is one in respect of which a receiver, or a receiver and manager, has been appointed;
 - (iii) the body corporate has, whether in or outside Tanzania, entered into a compromise or scheme of arrangement with its creditors, being a compromise or scheme of arrangement that is still in operation;
 - (iv) the Authority is not satisfied as to the educational qualifications or experience of the officers in the application who are to perform duties in connection with the holding of the

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licence; or

- (v) the Authority has reason to believe that the applicant will not perform the duties of a holder of a licence, efficiently, honestly and fairly.

(2) The Authority shall not refuse to grant or renew a licence without first giving the applicant or the holder of the licence an opportunity of being heard.

Compensa-
tion
Deposit

10.- (1) The Authority shall not grant or renew a broker's, or dealer's licences unless a compensation deposit or in the case of Commodity Trade Advisers and Commodity Pool Operators, a professional indemnity guarantee or insurance prescribed by the Authority in respect of the licence is lodged with the Authority at the time of the application for the licence.

(2) A deposit required under subsection (1) shall be –

- (a) in cash or in such other form as the Authority may in any particular case direct;
- (b) deposited in an account to be designated by the Authority;
- (c) applied by the Authority subject to and in accordance with the investors' compensation fund guidelines or regulations made by the Authority.

Refund of
deposit

11. A deposit made under Regulation 10 shall be refunded to an applicant immediately after the application for a dealer's licence is refused.

Application
of deposit

12. A deposit made under Regulation 10 may be invested by the Authority in a manner the Authority deems appropriate provided that fifty five per cent of income earned by such investment after deduction of taxes due in accordance with the laws of Tanzania shall be retained by the Authority on behalf of a dealer.

Operation
pending
renewal
and penalty
for late
submission

13.-(1) Where a person who holds a licence issued under the Act applied for a renewal of the licence within the period prescribed for renewal of licence, and the licence expires before the grant of the renewal or refusal or withdrawal of the application as the case may be, the licensee shall, until the licence is renewed or the application for the renewal of the licence is refused or withdrawn, be deemed to continue to be valid.

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(2) Subject to Section 41(3) of the Act providing for licence tenure and renewal, an application for renewal of a licence shall be made not later than one month before the expiry of the licence.

(3) An application for licence renewal made beyond the time prescribed in sub regulation (2), shall be subject to a late submission penalty of twenty five thousand shillings for each day the application is delayed.

Notification
of change
of
particulars

14.-(1) Where—

- (a) the holder of a licence ceases to carry on the business to which the licence relates; or
- (b) the holder of a representative's licence ceases to be a representative of the commodity broker, commodity dealer, commodity trading advisor or pool operator in relation to whom the representative's licence was issued; or
- (c) a change occurs in any matter, particulars of which are required to be entered in the register of licence holders in relation to the holder of a licence,

such holder of a licence shall, not later than fourteen days after the occurrence of the event concerned, submit in writing to the Authority, particulars of the event concerned.

(2) The notice of cessation of business shall be as set out in **Form No: 9** set out in the **First Schedule**.

(3) Any other change as referred to in sub regulation (1) (c) shall be as set out in **Form No: 10** set out in the **First Schedule**.

Suspension
procedure
and effect
thereof

15.-(1) Where the Authority has made a decision to suspend a licence pursuant to sections 46 and 47 of the Act, it shall write to the defaulting licensee to inform him of the Authority's decision including the reasons for the decision.

(2) A licence suspension shall have immediate effect from the date the Authority notifies the defaulting licensee pursuant to sub regulation (1) of this regulation.

(3) Where a licence is suspended, it shall remain suspended until the matter that the licence holder has been suspended with has been finally determined and the licensee is found not liable.

(4) The Authority shall monitor the suspended licensee on a continuous basis and if, the Authority deems that it is in the public interest to revoke it, a suspended licence shall be revoked.

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(5) A suspended licence may be revoked by the Authority in accordance with the provisions of regulation 16.

Revocation
procedure

16.-(1) The Authority shall, upon the occurrence of one or more of the circumstances referred to in sections 33 and 34 of the Act rendering revocation of a licence necessary-

- (a) notify the defaulting licensee in writing, indicating the breach in question, the intention to revoke the licence and the reasons for the decision to revoke;
- (b) prepare a report for approval of the Board detailing the prevailing situation at the last known physical address including any infrastructure, personnel in place, or anything that would reasonably indicate that operations are taking place.

(2) The defaulting licensee shall, have 14 days from the date of receipt of the notification under sub regulation (1) of this regulation to provide a response.

(3) Where the Authority does not receive a response from the defaulting licensee within the period specified in sub regulation (2), the decision to revoke the licence shall automatically take effect and the Authority shall write to the defaulting licensee informing them of the Authority's final decision.

(4) The decision of the Authority to revoke a licence shall remain valid pending the defaulting licensee holder's appeal against the revocation and the final determination of the appeal.

(5) A notification under sub regulation (1) of this regulation, shall be in Form No.1 set out in the **Third Schedule** and shall-

- (a) be signed by the Chief Executive Officer of the Authority or any other officer designated by the Chief Executive Officer;
- (b) advise the licensee on how the hearing will be conducted in accordance with the rules governing hearings before the Hearing Panel or Committee set out in the **Fourth Schedule**.

Hearing

17.-(1) The Authority shall conduct a hearing and a decision as to whether the reasons given by the defaulting licensee have been accepted by the Authority shall be delivered within 14 days from the date of the hearing.

(2) Where the Authority is of the view that the reasons given

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were not reasonable as to convince it not to revoke the licence, the Authority shall notify the defaulting licensee of its decision to revoke which shall take effect on the date prescribed in the notice of revocation.

Form of
notice of
revocation

18. The Notice of revocation shall be as set out in the **Fifth Schedule**.

Decision of
the
authority is
not
reversible

19. Where the Authority makes a decision it shall not revisit that decision, notwithstanding the mitigation or obvious factual error, without the direction of the Tribunal.

PART III ACCOUNTS AND AUDIT

General
compliance
with
maintena-
nce of
accounts
and records

20. Every licensee shall comply with all relevant laws, including the Act, these Regulations and guidelines issued by the Authority from time to time or any requirements, notifications, directives and guidelines issued by the Government and any statutory body or local authority relating to maintenance of accounts and records.

Annual
Accounts
and Audit

21.-(1) Subject to section 56 (2) and 6 of the Act in relation to maintenance of books of accounts and records each licensee shall prepare annual accounts for each financial year ending on 30th June or such other date as prescribed by the Authority.

(2) The assets and liabilities of the licensee's business shall be brought into account in the balance sheet at such amounts and shall be classified and described therein in such manner that the balance sheet gives a true and fair view of the state of affairs of such business as at the date to which it is made up.

(3) Each licensee shall furnish to the Authority its audited financial statements and such report shall be furnished not later than three months after the end of the licensee's financial year.

(4) Where the Authority is satisfied that circumstances warrant an extension of time for submission of the financial statements required under this section, it may grant extension of time for submission of the financial statements as it may deem fit.

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Annual
Report

22. Subject to Section 62 of the Act requiring intermediaries to prepare and submit to the Authority financial statements within three months after the end of financial year, all market intermediaries shall also prepare and submit an Annual Report that includes:

- (a) description of the activities undertaken by the intermediary in the financial year;
- (b) resources available including financial, human and technological;
- (c) an analysis of the extent to which an intermediary considers that the activities undertaken and resources used have resulted to revenue generation or growth.

Maintena-
nce of
records for
commode-
ties trading

23.-(1) Every licensee shall maintain the following records for a period of not less than 10 years either in hard form or non-temperable soft form relating to books of accounts, records and documents in respect of its business:

- (a) statements of funds and commodity obligations received from the clearing house.
- (b) records in respect of premium or discount and final settlement amounts including taxes and charges on commodities of clients;
- (c) records in respect of commissions collected separately from clients;
- (d) register of transactions or other records of original entry containing an itemized daily record of all purchases and sales of commodities or contract, showing for each such transaction effected, the name of commodities, value of commodities, rates both gross and net of brokerage and name of client;
- (e) register or ledger account of commodities, client wise and commodity wise, providing, inter alia, the details set hereunder and a separate register or ledger in respect of its own:
 - (i) date of receipt of the commodity;
 - (ii) quantity received;
 - (iii) party from whom received;
 - (iv) purpose of receipt;
 - (v) date of delivery of the commodity;
 - (vi) quantity delivered;
 - (vii) party to whom delivered;

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(viii) purpose of delivery.

(2) A person who contravenes sub regulation (1) commits an offence under the Act.

(3) For the purpose of better internal control and management, every licensee who is a member of a commodity exchange shall, maintain the following records relating to its business:

- (a) order confirmation slips, order modification slips and trade confirmation slips as obtained from the trading system of the Exchange;
- (b) record of all statements received from the settling agencies and record of all correspondence with them;
- (c) Order Book reflecting the following:
 - (i) identity of person receiving the order;
 - (ii) date and time of order received;
 - (iii) name of person placing the order;
 - (iv) name of client , description and value of commodities bought or sold;
 - (v) terms and conditions of the order stating particularly price or rate limit or price or rate related instructions and time limit on the order (if any);
 - (vi) the trading system order number as per the trading system of the commodity exchange or trading member order number as the case may be;
 - (vii) any modification or cancellation thereof including cases when it is cancelled by the system or cancelled due to maturity of an instrument;
 - (viii) if executed, the price or rate at which executed and to the extent feasible, the time of execution or cancellation and trade number as per the trading system of the Exchange;
 - (ix) reference number of the contract issued in case of executed orders;
 - (x) orders entered pursuant to the exercise of discretionary power shall be so designated;
 - (xi) serially numbered entries of orders;

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(xii) reports produced from the trading system;
and

(xiii) copies of all instructions obtained in writing from client including participants for an order placement, order modification, order cancellation or trade cancellation.

(4) Every licensee shall keep such books of accounts, as will be necessary, to show and distinguish, in connection with its business the moneys—

(a) received from or on account of and moneys paid to or on account of each of his clients; and

(b) paid on trading member's own account.

(5) Subject to section 60 (2),(3),(4)(a) and (7) of the Act, where a person, in this section referred to as "the client", deposits money with the licensee, that licensee shall—

(a) deposit the money in a trust account in a bank, not later than the next day on which the bank is open for business after the receipt of the moneys and the account shall not contain any money other than money deposited with or lent to the licensee;

(b) furnish to the client a receipt or other documentary evidence, setting out the terms and conditions on which the deposit or loan is made and accepted, including the purpose for which and the manner in which the money is to be used by the dealer;

(c) retain the money in the bank account until the client gives him a written statement acknowledging that the client has received the document referred to in paragraph (b); and

(d) use the money only—

(i) for the purpose and in the manner set out in the document referred to in paragraph (b); or

(ii) for any other purpose or in another manner agreed to by the client in writing after the document referred to in paragraph (b) was furnished to the client.

(6) No payment for transaction in which the trading member is taking a position as a principal will be allowed to be made from the trust account.

(7) The transfer from trust account to the licensee's account

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shall be allowed for discharging the obligation to pay money into "clients account" where every trading member who holds or receives money on account of a client shall forthwith pay such money to current or deposit account at a bank to be kept in the name of the member in the title of which the word "clients" shall appear and shall be referred to as "Trust Account.

(8) A licensee may keep one consolidated clients account for all the clients or accounts in the name of each client, as he thinks fit provided that when a trading member receives a cheque or draft representing in part money belonging to the client and in part money due to the licensee, he shall pay the whole of such cheque or draft into the clients account and effect subsequent transfer.

(9) Money shall not be paid into a trust account other than-

- (a) money held or received on account of clients;
- (b) such moneys belonging to the licensee as may be necessary for the purpose of opening or maintaining the account;
- (c) money for replacement of any sum, paid or drawn from the account by mistake or accident;
- (d) cheque or draft received by the licensee representing in part money belonging to the client and in part money due to the licensee.

(10) No money shall be drawn from clients account other than –

- (a) money properly required for payment to or on behalf of clients for or towards payment of a debt due to the licensee from clients or money drawn on client's authority, or money in respect of which there is a liability of clients to the trading member, provided that money so drawn shall not in any case exceed the total of the money so held for the time being for such each client;
- (b) such money belonging to the licensee as may have been paid into the client account which may have been made paid into such account by mistake or accident.

(11) Nothing in this regulation shall deprive a licensee of any recourse or right, whether by way of lien, set-off, counter-claim charge or otherwise against moneys standing to the credit of clients account.

(12) Every licensee shall send to its clients a complete

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‘Statement of Accounts’ of a period not exceeding six months for both funds and titles to commodities within a month of the expiry of the said period.

(13) The statement referred to in sub regulation (12), shall require the client to report errors, if any, in the statement within 14 days of receipt thereof.

Ledger
account in
respect of
the transac-
tions on
the
Exchange

24.- The trading licensees shall keep separate ledger account for each client in respect of the transactions on the Exchange and shall separate such account from the account of the client in respect of transactions of any other exchange or any other transaction, which the trading licensee may enter into with such client.

Maintena-
nce of
other
records

25.- (1) Every licensee shall maintain copies of-

- (a) agreements executed with each of its client, clearing and settlement agencies or banks;
- (b) records of all relevant particulars of persons;
- (c) originals of all communications received and copies of all communications sent by such trading member including interoffice memo and communications relating to its business;
- (d) all guarantees of accounts and all powers of attorney and other evidence of the granting of any discretionary authority given in respect of any account;
- (e) copies of resolutions empowering an agent to act on behalf of a licensee;
- (f) all written agreements or copies thereof, entered into by that licensee relating to its business as such, including agreements with respect to any account.

(2) Every licensee shall preserve for a period of not less than seven years after the closing of any client’s account any records which relate to the terms and conditions with respect to-

- (a) the opening and maintenance of such account;
- (b) date of entering into agreement with the client;
- (c) date of modification thereof;
- (d) date of termination;
- (e) representatives of such client who signed in each case.

(3) A licensee shall intimate to the Authority the place where these records are kept and made available for audit or inspection.

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(4) The requirements relating to maintenance of records in this section shall apply not only to records of the licensee's principal office but also to those of any branch office and to any nominee company owned or controlled by a trading member for the purpose of conducting the business of the trading member.

(5) Each licensee shall keep and preserve a record of all written complaints of its clients indicating the following aspects:

- (a) the reference number of client;
- (b) date;
- (c) client's name;
- (d) particulars of the complaints;
- (e) action taken by the trading member;
- (f) if the matter is referred to arbitration to the commodity exchange, the Authority or the Tribunal, then the particulars thereof.

(6) Every trading member shall maintain details of titles to the commodities which are the property of a trading member showing with whom they are deposited and if held otherwise than by the member, whether they have been lodged as collateral security for loans or advances.

(7) Every trading member shall keep copies or duplicates of contract notes issued by the trading member and details of any particulars, which are required by these regulations to appear on contract notes.

PART IV CONDUCT OF BUSINESS OF LICENSEES

Application
of capital
markets
conduct of
business
regulations
G.N. No:
771 of 1997

26. The Capital Markets and Securities (Conduct of Business) Regulations, 1997, shall apply *mutatis mutandis* to all licensees under the Act or these Regulations and reference in the said Regulations to dealers or investment advisers shall be construed as commodity broker, dealers or commodity trading advisers respectively.

Contract
Note

27.-(1) In addition to the requirements of the Capital Markets and Securities (Conduct of Business) Regulations, 1997, every licensee under the Act and these Regulations shall issue a contract note to his clients for services performed containing all

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relevant details necessary to enable the Authority or any person ascertain the nature of relationship entered or the terms and conditions of the transaction entered into.

(2) A contract note shall be signed by the licensee or his authorized signatory or Attorney.

(3) The contract notes shall be numbered with unique running serial number commencing from one, which shall be set only at the beginning of every financial year.

(4) Where separate series are maintained in respect of different trading offices of the licensee, the respective office name or code shall be mentioned on the contract note.

(5) The contract note shall be time stamped with the time of receipt of order and the time of execution of order.

Commissions

28.- (1) All the orders entered by a commodity broker or commodity dealer shall be at prices exclusive of commissions.

(2) A licensee shall charge commissions at rates not exceeding such rates as the Authority may from time to time prescribe.

(3) A licensee shall charge commission separately to their clients and this shall be indicated separately from the price, in the contract note.

Office
Premise

29.- (1) A licensee shall not carry on any activity connected with or pertaining to its operations in any office or premises, the full address of which has not been intimated to the Authority.

(2) Each office or department and the personnel shall be under the supervision and control of the licensee.

(3) Each licensee shall at all times maintain such infrastructure, staff, communication facilities and records so as to be able to service its clients satisfactorily and as per the requirements of these Regulations or any other relevant law in force for the time being.

Client
agreements

30.- (1) A licensee shall enter into an agreement with each of his clients, before accepting or placing orders on the clients behalf and such agreement shall include provisions set out in the **Sixth Schedule**.

(2) The Authority may categorize clients into such types as

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may be necessary for the purposes of the provisions of sub regulation (1) and specify the clauses to be included in agreements to be entered into depending on the category of such client.

Compliance
with Anti-
Money
Laundering
Act
Cap. 423

31.-(1) When establishing a relationship with a new client, a licensee shall take reasonable steps to ensure compliance with the Anti-Money Laundering Act and shall assess the background, genuineness, financial soundness of such person and his investment objectives as illustrated in the **Seventh Schedule**.

(2) Subject to sub regulation (1), where a licensee enters into a relationship with corporate clients he shall obtain an approved copy of the Board resolution permitting trading on commodity contracts.

(3) Where a relationship referred in sub regulation (1) concerns an unincorporated body, the licensee shall obtain the relevant authorization from the said unincorporated body depending on the procedures of approval of that unincorporated body.

Certain
disclosures
to clients

32.-(1) A licensee shall make the client aware of the precise nature of the licensee's liability for business to be conducted, including any limitations on that liability and the capacity in which the licensee acts and the clients liability thereon.

(2) A licensee shall make the client aware of the risk associated with the business in commodities trading including any limitations on the liability and the capacity in which the licensee acts and the client's liability thereon by issuing to the client a copy of the 'Risk Disclosure Document' as specified in the **Eighth Schedule**.

(3) Subject to sub regulation (2), A licensee shall ensure that a client acknowledges receipts of the document referred in the said sub regulation (2).

(4) A licensee shall, at no cost-

(a) provide extracts of relevant provisions governing the rights and obligations of clients to the extent it governs the relationship between licensee and the client; and

(b) make adequate disclosures to the relevant material information in its dealing with his Clients'.

(5) A licensee shall bring to the notice of its clients, any indictments or penalties imposed on him by the Authority, Exchange

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or any other regulatory authority.

(6) A licensee shall make adequate disclosures of relevant material information in dealing with the client including the current best price of trade or order quantities on the commodity exchange, any allocation policy inter se clients, any relevant announcement from the commodity exchange relating to margin, trading restrictions as to price, quantity or where the licensee is the counter party to a trade executed on the trading system with the client.

Prohibition
of
Certain
practices

33.-(1) No licensee or person associated with the licensee shall guarantee a client against loss in any commodities transactions effected by the licensee with or for such client.

(2) A licensee shall not recommend to its clients a sale or purchase of commodities contracts traded on the commodity exchange, unless it has reasonable grounds to believe that such recommendation is suitable for the client on the basis of the facts disclosed by the clients, whether in writing or orally, regarding the client's commodity holdings, financial soundness and investment objectives.

(3) The licensee shall not furnish any false or misleading information or advice with a view to inducing the clients to do business in particular commodity contracts which shall enable the licensee to gain thereby.

Placement
and
Modifica-
tion
of Orders

34.-(1) The licensee shall explain the trading system and order matching process to the client before accepting any orders from him.

(2) Where the client requires an order to be placed or any of his order to be modified after the order has entered the system but has not been traded, the licensee may, obtain order placement or modification details in writing from the client and accordingly provide the client with the relevant order confirmation or modification slip or copy thereof.

(3) Where the client requires any of his orders to be cancelled after the order has been entered in the system but has not been executed, the licensee may obtain the order cancellation details in writing from the client and accordingly provide the Client with the relevant order cancellation details.

(4) The licensee shall obtain in writing the delivery and

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payment requirement in any instructions of an order that it receives from the client.

(5) Where a licensee receives a request for order modification or order cancellation from the client, he shall duly bring it to their notice that if the order results in a trade in the meantime, the requests for modification or cancellation cannot be executed.

(6) A licensee shall place all orders on the trading system and shall not accumulate client's order or unexecuted balances of orders and shall act promptly in accordance with instructions provided by the client unless he has discretion as to timing, in which case he must exercise judgment as to the best moment.

(7) A licensee shall provide its client with a copy of the trade confirmation slip as generated on the trading system on execution of the trade.

(8) Where the licensee is required to pay margin money on transactions executed on behalf of the client, he shall collect the same from the client.

Quarterly
Settlement
of account
of client

35.-(1) A licensee shall be required to settle accounts of their clients every quarter subject to the condition that, for the clients having open position on such quarterly settlement date, the licensee may retain the requisite funds to meet the maximum likely margin obligations for the next three trading days to ensure that the clients is not unnecessarily disadvantaged due to such quarterly settlement.

(2) When settling the account, the licensee shall send to the client a 'statement of accounts' containing an extract from the client ledger of funds for the relevant quarter indicating the retention of funds, if any.

(3) The settlement of account shall not be necessary for collateral or margin in the form of a bank guarantee or fixed deposit receipts (FDR) or other collaterals received from clients.

(4) There shall be no inter-client adjustments or any inter family or group company related accounts for the purpose of settlement of the client account.

(5) The time difference between two settlements of a clients account should not be more than 90 days.

(6) Every case of non-settlement of a client's account on a quarterly basis shall attract a penalty of shillings 1,000,000/-.

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Alerts
to
clients

36.- (1) An Exchange shall, as an additional facility, communicate the details of trades executed on the Exchange platform to clients at the end of each trading day through electronic or any other forms.

(2) The alert facility shall be available to those clients who have registered their preference through their respective members to receive alerts directly from the Exchange.

(3) The alerts shall provide the information about all the trades executed in the client account during the day which will enable the client to verify the trade on the Exchange website under the heading market data.

(4) Licensees who are members of the Exchange shall be required to verify and upload the details of mobile number and email address of the clients and any change in such details shall be updated by the members at the earliest.

(5) Where an exchange is not able to deliver the message or email to any client, the respective licensee shall be informed for necessary follow-up action.

Trading
obligation

37.-(1) Licensees shall ensure that the fiduciary and other obligations imposed on them and their staff by the various statutory Acts, Rules and Regulations are complied with.

(2) a licensee shall ensure that -

(a) any employee who commits the licensee to a transaction has the necessary authority to do so; and

(b) employees are adequately trained in operating in the relevant market segment in which they deal, are aware of their own and their organization's responsibilities as well as the relevant laws governing the commodities exchange and their members.

(3) A licensee shall be responsible for all the actions, including trades originating through or with the use of the licensee's Identity, User Identity or User password at any point of time.

(4) When entering into transactions on behalf of clients, the licensee shall ensure that they abide by the code of conduct and regulations as enumerated in these Regulations;

(5) A licensee or person associated with a licensee shall not make improper use of client's funds or commodities.

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(6) A licensee shall not publish and circulate or cause to be published or circulated, any notice, circular, advertisement, newspaper article, investment service or communication of any kind unless-

- (a) the publication is approved by the Authority and the publication purports to report any transaction as a purchase or sale of any commodity; and
- (b) the transaction referred to in paragraph (a), is a *bona fide* purchase or sale of a contract or which purports to quote the purchase or sale price for any contract or that such quotation represents a *bona fide* order of a commodity contracts.

(7) When entering into or arranging transactions, licensees shall ensure that at all times great care is taken not to misrepresent in any way the nature of transaction.

(8) A licensee shall not exercise any discretionary power in a client's account unless such client has given prior written authorization to a stated individual or individuals and the account has been accepted by the licensee and is evidenced in writing by the licensee.

(9) A licensee shall not act as a principal or enter into any agreement or arrangement with a client or client's agents, employees or any other person connected to the client, employee or agency, whereby special or unusual rates are given with intent to give special or unusual advantage to such client for the purpose of securing his business.

(10) Unless a Court Order has been duly issued in that respect, a licensee shall not disclose the name of a client or beneficial owner's identity to any person except to the Authority or Exchange, Clearing House, and concerned Clearing Member.

Unfair
Trading
Practices

38.-(1) A licensee shall not buy, sell or deal in contracts in a fraudulent manner, or indulge in any unfair trade practices including market manipulation.

(2) Without prejudice to the generality of the provisions of sub regulation (1) of this regulation, a licensee shall not indulge in the following market malpractices:

- (a) effect, take part either directly or indirectly in transactions, which are likely to have effect of

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- artificially, raise or depress the prices of Contracts,
- (b) indulge in any act, which is calculated to create a false or misleading appearance of trading, resulting in reflection of prices, which are not genuine;
 - (c) buy, sell commodities or contracts on his own behalf or on behalf of a person associated with him pending the execution of the order of his client or of his company or director for the same contract;
 - (d) delay the transfer of commodities in the name of the transferee;
 - (e) indulge in falsification of books, accounts and records for the purpose of market manipulation;
 - (f) When acting as an agent, execute a transaction with a price other than the price at which it was executed on the exchange;
 - (g) either takes opposite position to an order of a client or execute opposite orders which he is holding in respect of two clients other than in the manner laid down by the law or rules of the exchange.

Register of
interest in
titles to
commodity
contracts

39.-(1) This regulation applies to a commodity dealer, commodity broker, commodity trading advisers and their representatives and a financial journalist.

(2) The Provisions of Part V and sections 50, 51, 52, 53, 54, 55 and 56 of the Capital Markets and Securities Act, regarding maintenance of register of interest of securities shall apply *mutatis mutandis* to the intermediaries referred to in sub-regulation (1) and reference to the word “securities” shall be construed as “titles to commodity”.

(3) The Notification on the particulars of the register and the place at which the register shall be kept pursuant to Section 52 of the Capital Markets and Securities Act, shall be as set out in Form No 7 and Form No 8 set out in the First Schedule.

PART V COMMODITY CONTRACTS APPLICATION FOR APPROVAL, REVIEW AND REGISTRATION

Form of
Application
for approval

40.-(1) Subject to section 36 of the Act requiring prior approval of commodity contracts prior to its listing or trading on any

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of a commodity exchange, an application for approval of a commodity contract shall be-

- (a) in the form prescribed in the **Ninth Schedule**;
- (b) accompanied by a fee in an amount to be determined annually by the Authority;
- (c) accompanied by a standardized contract.

(2) Every commodity contract submitted to the Authority for approval pursuant to sub regulation (1) (c) shall contain information indicated in the samples of commodity contracts set out in the **Tenth Schedule**.

Review, approval, registration or refusal of contracts

41.-(1) Upon receipt of an application under this regulation, the Authority may, if it is satisfied after making such inquiry as it considers necessary that the application fulfills the requirements, approve the commodity contract for trading on a commodity exchange.

(2) Where the Authority is of the view that the application is-

- (a) deficient in any material respect; or
- (b) that the applicant has failed to comply with any prescribed condition or requirement; or
- (c) that the continued approval and registration of the contract would not be in the public interest,

it may require the applicant to correct the deficiency or comply with the prescribed condition or requirement within the time specified in the order or amend the specification of any contract or direct that the applicant submit further additional information.

(3) An application shall not be approved without compliance with a direction issued by the Authority under sub regulation (2) unless such direction has been withdrawn by the Authority.

(4) An application submitted under this Part shall not be declined and no registration under regulation 42 shall be revoked unless the applicant has been afforded an opportunity of being heard.

(5) Any amendment or change that would, materially alter a term or condition of an approved contract shall be submitted to the Authority for review and approval.

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Mainten-
ance of
register of
approved
commodity
contracts

42.-(1) The Authority shall maintain a register of all approved commodity contracts into which all contracts shall be recorded indicating the date approved, and any particulars as the Authority may deem necessary for proper description and identification of the particular contracts.

(2) The register maintained by the Authority may contain information indicated in the **Eleventh Schedule**.

Suspension
of trading of
a contract

43. The Authority may, if it considers it to be in the interest of the market or in the public interest so to do, suspend for a period not exceeding sixty days, the trading of any commodity contract and may from time to time, for the said reasons and in the said manner extend the suspension for further period not exceeding sixty days at any time.

PART VI SUPERVISION, INSPECTION AND DISCIPLINARY ACTIONS

Adhoc
and
routine
Inspection

44.- (1) The Authority shall at least once in every year or such number of times as it deems fit, inspect books of accounts or any other document of a licensee, clearing house, or depository for the purposes of-

- (a) ensuring that the books of accounts and other books are being maintained in the manner required;
- (b) ensuring that the provisions of the Act, these Regulations and any other matter relating to commodities trading are being complied with;
- (c) ensuring that various provisions of the Rules of the Exchange and any directions, notices, circulars, instructions or orders issued thereunder are being complied with;
- (d) investigating into the complaints received on any matter having a bearing on the activities of the licensee;
- (e) investigating *suo-moto*, for any reason where circumstances so warrant an inspection into the affairs of the licensee or the commodity exchange in public interest;
- (f) examining whether any notices, circulars, instructions or

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orders issued by the Authority from time to time relating to trading and other activities licensee are being complied with;

- (g) to comply with any of the directives issued by any regulating authority including the Government to comply with any of the directives issued in this behalf by any regulating authority including compliance with the norms prescribed for client accounts, Know your Client (KYC), Member Client Agreement or any other directives.
- (h) detection of fraudulent trading or insider trading.

(2) The Authority may appoint one or more of its officers or any other person, to undertake the inspection of the licensee or its facilities, books of accounts or other records and documents the licensee or the Exchange as the case may be.

(3) Where the Authority appoints inspectors, it shall notify the licensee as the case may be, the names and addresses of the appointed inspectors.

(4) Where an inspector is appointed in respect of a licensee and such an inspector is related in any capacity with the licensee then the licensee shall forthwith inform the Authority of such relationship.

(5) Where after appointment of any inspector the licensee or any of its associates engages the inspector for its services in any other capacity, the inspector shall not engage itself in such other professional capacity with the licensee without prior consent of the Authority.

(6) The Authority officials or the inspector who is directed by the Authority to undertake the inspection, shall undertake the inspection and it shall be the duty of every member, director, partner, officer and employee of the licensee, who is being inspected to produce to the inspector such books, accounts and other documents in his custody or control or arrange to produce where such books, accounts and other documents are in any other person's custody or control and furnish him such statements and information within such time as the said inspector may require.

(7) The inspector shall, in the course of inspection, be allowed to have reasonable access to the premises occupied by the licensee or by any other person on his behalf and the licensee shall be required to extend reasonable facilities for examination of any

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books, records, documents and computerized data in his possession or in the possession of any other person and also provide the copies of documents or other materials which, in the opinion of the inspecting authority, are relevant.

(8) The inspector shall be entitled to examine or record, statements of any member, director, partner, officer and employee of the licensee or of any associate of such licensee.

(9) It shall be the duty of every member, director, partner, officer and employee of the licensee or where an associate is examined, such associate to give to the inspector all assistance in connection with the inspection which the licensee is reasonably expected to provide.

(10) The inspector shall be entitled to examine the records relating to the licensee's financial affairs held with its bankers or any other agency which the inspector may find it relevant.

(11) The inspector shall have access to accounts and other records relating to the licensee or such access as authorized by the relevant authority to accounts and other records relating to any associate of the licensee as are within the power of the licensee to provide.

Submission
of Report

45.-(1) The inspector shall, as soon as possible submit an inspection report to the Authority.

(2) All documents, papers, returns or their copies submitted to the inspector may be retained on behalf of the Authority.

(3) The inspector shall maintain complete confidentiality of the investigation and all the retained documents and no disclosure of any information contained therein shall be made to any person, firm, company or authority unless required by any law for the time being in force or with the approval of the Authority.

(4) The Authority shall after consideration of the inspection report communicate the findings to licensee and give him an opportunity of being heard before any action is taken on the findings of the inspector.

(5) On receipt of the explanation, if any, from the licensee the Authority may call upon the licensee to take such measures as the Authority may deem fit in public interest.

(6) Notwithstanding anything contained in this regulation, where the Authority is of the opinion that no such hearing should be provided in certain circumstances, it may take action forthwith

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without giving an opportunity of being heard.

Collection
and
Dissemina-
tion of
Information

46.- (1) The Authority may call upon a licensee to furnish any information or provide any explanation with regard to any component or composition, dealings, settlement, account or other related matters.

(2) The Authority shall maintain the details of the clients of the licensee in confidence and that it shall not disclose to any person or entity such details of the client as mentioned in the client registration form or any other information pertaining to the client except as required by law in operation for the time being.

(3) Notwithstanding anything contained in any of these Regulations, the Authority may at its discretion disseminate to regulatory authorities or to the general public, any information including information relating to any trades, dealings, settlement of dealings, accounting, disciplinary action initiated or taken against a licensee or other matters relevant for enforcement or regulatory purposes.

PART VII MISCELLANEOUS PROVISIONS

Appeals by
licensees

47.-(1) Subject to section 84 of the Act, any licensee or any person aggrieved by any decision of the Authority or any commodity exchange may appeal to the Tribunal within fourteen days from the date the decision was communicated to that person.

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(2) The procedure of application and determination of the appeals shall be as prescribed in accordance with provisions of sections 136 H, 136 I and 136 J of the Capital Markets and Securities Act.

Compou-
nding of
offences and
administra-
tive
penalties

48.-(1) Subject to the provisions of section 6(d) and (e) of the Act conferring power to the Authority to take such steps as it considers appropriate for compliance with the law or maintenance of fairness, efficiency or orderliness of the commodity exchanges business, the Authority may-

- (a) without instituting proceedings against any person for an offence punishable only by a fine, demand the amount of such fine or such reduced amount as it deems

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fit from the person liable and-

- (i) where the person pays the amount to the Authority within fourteen days of the demand, no proceedings shall be taken against him in relation to the offence; or
 - (ii) where the person does not pay the amount, the Authority may commence proceedings in relation to the offence.
- (b) as part of a settlement reached between the defaulting licensee-
- (i) deter by way of warning or censure the defaulting licensee to future wrongdoing in the commodities markets;
 - (ii) impose a temporary or permanent ban on the conduct of an individual, including trading bans and bans against acting as a director or officer of a licensee and acting as or becoming a licensee in the United Republic of Tanzania;
 - (iii) impose a restraint on an individual's future activity in the commodities markets;
 - (iv) impose monetary penalties for breaches of the Act or Regulations which may include the following:
 - (aa) ordering any person found to have breached the Act or Regulations to pay up to 10 million shillings for each failure to comply;
 - (bb) requiring the defaulting licensee to surrender the amount obtained as a result of the non-compliance with the law;
 - (cc) order a defaulting person to pay any costs incurred by the Authority as a result of an inspection or investigation; and
 - (dd) order freeze of assets pending investigations to prevent investors' assets from being transferred or misappropriated.

(2) The powers of compounding offences conferred to the Authority shall only be exercised where a person admits the offence and agrees in writing to the offence being dealt with under this Regulations.

(3) Where the recovery of administrative penalties is

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rendered impossible because the defaulting licensee may -

- (a) have no assets or has limited assets, or
- (b) no longer reside in Tanzania, or cannot be found;
- (c) has hidden assets in the names of others;

the Authority may resort to orders under sub regulation (1) (b) (ii) of this regulation.

Power of Authority to enquire into transactions in relation to the holder of a licence

49.- (1) In deciding whether or not a licensee shall hold a licence under the Act, the Authority may enquire into any transactions involving the purchase or sale of commodity contracts entered into by that person, whether directly or indirectly, during any period of twelve months preceding the application or renewal of a licence, in this regulation referred to as the relevant period; to satisfy itself that the person has in such transaction or series of transactions used dishonest, unfair or unethical methods or trading practices, whether such methods or trading practices, constitute an offence under the Act or not.

(2) For the purpose of sub regulation (1), the Authority may, by notice in writing, require a licensee to submit detailed information of all or any transactions which were completed during the relevant period.

(3) Any person who, without reasonable excuse, fails or refuses to submit information to the Authority within the time specified in the notice referred to in sub regulation (2) or who knowingly gives false or misleading information shall, in addition to any other penalty that may be imposed under the Act, be liable, in the case of an application for renewal of a licence, to have his licence revoked and in the case of first application for a licence to have his application refused.

Power of the Authority to impose conditions or restrictions

50.- (1) The Authority may grant or renew a licence subject to such conditions or restrictions as it thinks fit and the Authority may, at any time by written notice to a licence holder, vary any condition or restriction in relation to the licence.

(2) Without limiting the generality of subsection (1), the Authority may in granting or renewing a commodity trading advisor's licence impose a condition or restriction as to the class of business that the commodity trading advisor may carry on including

condition or restriction that-

- (a) he shall only carry on the class of business of advising others concerning commodities; or
- (b) he shall only carry on the class of business of issuing or promulgating analyses in reports concerning commodities; or
- (c) he shall carry on any of the classes of business in paragraphs (a), (b) in combination with each other.

(3) The Authority may, by written notice to a licence holder, suspend, cancel, restrict or impose terms and conditions on the right of the licence holder to call at any residence or telephone any residence in Tanzania for the purpose of dealing in any commodity or commodity contract.

(4) Any holder of a licence who contravenes or fails to comply with any condition or restriction in the licence commits an offence under the Act.

(5) In this section "residence" includes any building or part of a building where the occupant resides either permanently or temporarily.

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—————
FIRST SCHEDULE
—————

(Under regulation 5)

PART A

APPLICATION FORMS

FORM NO: 1

APPLICATION FOR APPROVAL TO ESTABLISH A COMMODITY EXCHANGE

1. Name of Company Limited.
2. Address:
3. Date of Incorporation:
4. Number of Company:

We hereby apply for approval to establish a commodity exchange and submit the following information for your consideration:

- (a) Location of principal office
- (b) Details of capital structure:
 - (i) Nominal capital.
 - (ii) Paid up capital.
- (c) Names and addresses of Directors.
 1.
 2.
 3.
 4.
 5.
 6.
 7.
- (d) Name and address of the Chief Executive:

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.....

5. We enclose two copies each of the following documentation required to accompany the application.

FOR OFFICIAL USE ONLY

Status:

Received/Not received:

(a) The Memorandum and Articles of Association, and the rules and by-laws of the Stock Exchange Act.....	_____
(b) The listing requirements for the Stock Exchange	_____
(c) The list of names and addresses of the members of the Stock Exchange	_____
(d) The list of companies listed with the Stock Exchange	_____
(e) The audited annual accounts for the last three years of operation, or the period since inception, if shorter, of the securities exchange. If the company has taken over existing operations of a securities exchange, please provide those relevant accounts	_____

6. We also enclose application/ renewal fee of TZS.....

7. Declaration of compliance :

I/We
do hereby state that I/we have read the Commodity Exchanges Act,(No: 19 of 2015) and the Rules of the
(name of the Commodity exchange) designed to regulate the commodity exchanges and we declare that I/we shall abide by the said Act and the Rules of the commodity exchange.

Date:

Signed:) Director

.....) Director

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.....) Secretary

FORM NO. 2

APPLICATION BY A COMPANY FOR A COMMODITY BROKER'S OR COMMODITY DEALER'S LICENCE

THE COMMODITY EXCHANGES ACT (ACT NO: 19 OF 2015)

Application is hereby made for a Commodity Broker's /Commodity Dealer's Licence under the Act and the following statements are made in respect thereof:

Note:

1	If space is insufficient to provide details, please attach annexure(s). Any such annexure should be identified as such and signed by the signatory to this application.
2	This application must be accompanied by the last audited financial statement of the applicant.

INFORMATION ON THE APPLICANT

1.	(a)	Name of Applicant:.....
	(b)	Registered Office:
	(c)	Place of Incorporation:.....
	(d)	Full address and telephone number of the principal place at which the business of the applicant is to be carried on:
	(e)	The authorized and paid-up capital of the applicant, including the types of shares issued:
		(i) Authorized Share capital:
		(ii) Paid-up Capital:

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		(iii) Types of Shares Issued:
	(f)	The details of Shareholders of the applicant, including the name, address, amount of shares being held and ate of acquisition:
		Name of Shareholder:
		Address:
		No of Shares
		Date Acquired.....
	(g)	Address of place at which applicant's register under Regulation 39 will be kept:
	(h)	Set out as an annexure hereto details of each director and secretary showing full name, residential address, date of birth, office held, date of appointment and educational qualifications.
2		Stare the nature of the principal business of the applicant:
3	(a)	State in detail the activity and the manner in which the applicant proposes to conduct the business for which the applicant requires a dealer's licence:

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		<p>.....</p> <p>...</p> <p>.....</p> <p>...</p> <p>.....</p> <p>...</p>	
	(b)	The type of clients with whom the applicant proposes to do business with:	
	(c)	Describe in detail the organizational structure and internal control procedures which the applicant has adopted or proposes to adopt for its proposed business (Separate Annexure).	
4		Set out name and address of each person who directly or indirectly exercises or has power to exercise a controlling influence over the management and policies of the applicant other than those shown as directors; (separate Annexure)	
5		Is any director or secretary of the applicant a director of any other corporation? Using an annexure, answer "Yes" or "No" for each person; if "yes" give details of:	
	(a)	Name of corporations;	
	(b)	Places of incorporation; and	
	(c)	Dates of appointment	
		(for question 6 and 8 answer "Yes" or "No" in space provided . If "Yes" attach annexure giving all relevant particulars)	
6.	(a)	Been licensed or registered in any place under any law which requires licensing or registration in relation to dealing in securities?	Answer
	(b)	Ben licensed, registered or otherwise authorized by law to carry on any trade, business or profession in any place?	.....
		Been licensed, registered or is restricted in its or his right to carry on any trade, business or profession for which a specific licence,, registration or other authority is required by law in any place?	.....
7.		Has any director or secretary of the applicant within the past ten years	
	(a)	Been a member or partner in a member of the applicant within the past ten years?

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	(b)	Been suspended from membership of any securities exchange or otherwise disciplined by a securities exchange?
	(c)	Been refused membership of any securities exchange?	.....
	(d)	Been known by any name other than the names shown in this application?	.....
	(e)	Been convicted of any offence other than a traffic offence in Tanzania or elsewhere or are there any proceedings now pending which may lead to such a conviction?	.....
	(f)	Has judgement including findings in relation to fraud, misrepresentation or dishonesty been given against him in any civil proceedings, in Tanzania or elsewhere? (if "yes" using an annexure give full details, including whether judgement is unsatisfied)	.....
	(g)	Been declared bankrupt or compounded with or made an arrangement for the benefit of his creditors, in Tanzania or elsewhere?	.....
	(h)	Been engaged in the management of any corporation other than those referred to in answer to question 5?	.....
	(i)	Been refused a fidelity or surety bond in Tanzania or elsewhere?	.....
	(j)	Been disqualified as a director, or been director of a company that has gone into receivership or liquidation, in Tanzania or elsewhere?	.....
8	Has any director or management staff of the applicant any experience in performing the functions in relation to the proposed activity of the applicant referred to in question 3?		
(separate Annexure)			
9.	In relation to each director and secretary of the applicant set out below details of the officer's employment and business activities, during the previous ten years:		
	Name of director or secretary	Name and address of employer (it self-employed so state)	Nature of business
			Description of duties or relation to the employment or activity
			Period of employment of activity (give exact dates)
(separate annexure)			
10	Set out any additional information (including any formal qualifications or training of the directors or secretary of the applicant and the name of the institution that conducted the		

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	course) considered relevant to this application.		
(separate annexure)			
11	Set out below details of two persons with whom each director and the secretary of the applicant has had regular contact over the past five years and whom the Authority may enquire regarding the character and reputation of the respective director or secretary		
Name of character referee	Address of character referee	Occupation of character referee (separate annexure)	Secretary in respect of whom enquiries may be made
12	I declare that all information given in this application and in the attached annexures is true and correct		
Dated thisday of20.....		Signature.....	
		Name.....	
		Capacity.....	

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FORM NO.3	
APPLICATION FOR A COMMODITY TRADING ADVISOR'S LICENSE THE COMMODITY EXCHANGES ACT (ACT NO: 19 OF 2015) (SECTION 41)	
Application is hereby made for a Commodity Trading Adviser's license under the Act and the following statements are made in respect thereof:	
1.	If space is insufficient to provide details where necessary please attach annexure(s) any such annexure should be identified as such and signed by the signatory to this application.
2.	This application shall be accompanied by the last audited financial statements of the applicant
PART 1 INFORMATION ON THE APPLICANT	
1.	(a) Name of Applicant:.....
	(b) Registered Office:
	(c) Place of incorporation:
	(d) Full address and telephone number of the principal place at which the business of the applicant is or is to be carried on:
	(e) Authorized and paid-up capital of the applicant including the types of shares issued or to be issued:
	(i) Authorized Share Capital:

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		(ii) Paid up Share Capital
		(iii) Type of Shares:
	(f)	The details of shareholders of the applicant, including the name, address, amount of shares being held and date of acquisition: (Separate Annexure)
	(g)	Address of place at which applicant's register under section 52 of the Act will be kept:
	(h)	Set out as an annexure hereto details of each director and secretary showing full name, residential address, date of birth, office held, date of appointment and academic as well as professional qualifications.
2.		State the nature of the principal business for which the applicant requires an a Commodity Trading Adviser's licence: (Separate Annexure)
3.	(a)	Indicate areas of proposed business for which the applicant requires an a Commodity Trading Adviser's licence: Either: advises others concerning commodity contracts trading ; Or: issues or promulgates analyses or reports concerning commodity contracts; Or; pursuant to a contract or arrangement with a customer, undertakes on behalf of the customer (whether on a discretionary authority granted by the customer or otherwise) the management on behalf of customers of a portfolio for the purpose of investment in commodity contracts.
	(b)	For each indicated area of proposed business, state in detail the manner in which business will be conducted and the experience of the application and its management. (Separate Annexure)
	(c)	The type of customers with whom the applicant proposes to do business. (Separate Annexure)
	(d)	Describe in detail the organizational structure and internal control procedures which the

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		applicant has adopted or proposes to adopt in the conduct of its business (Separate Annexure)
4.	Set out name and address of each person who directly or indirectly exercises or has power to exercise a controlling influence over the management and policies of the applicant other than those shown as directors. (Separate Annexure)	
5.	Is any director or secretary of the applicant a director of any other corporation? Using an annexure answer Yes or No for each person; if Yes give details of:	
	(a)	Name of corporation:.....
	(b)	Places of incorporation and.....
	(c)	Dates of appointment:.....
	(for questions 6 and 7 answer "Yes" or "NO" in space provided. If Yes attach annexure giving all relevant particulars)	
6	Has the applicant or any director or secretary of the applicant within the past ten years:	
		Answer
	(a)	Been licensed or registered in any place under any law which requires licensing or registration in relation to dealing in commodity contracts or acting as a commodity trading adviser?
	(b)	Been licensed, registered or otherwise authorized by law to carry on any trade, business or profession for which a specific licence, registration or other authority is required by law in any place?
	(c)	Been refused the right or restricted in its or his right to carry on any trade, business or profession for which a specific licence, registration or any other authority is required by law in any place?
7.	Has any director or secretary of the applicant within the past ten years-	
	(a)	Been a member or partner in a member firm of any commodity exchange?
	(b)	Been suspended from membership of any commodity exchange or otherwise disciplined by a securities exchange.
	(c)	Been refused membership of any commodity exchange?
	(d)	Been known by any name other than the name or names shown in this application?
	(e)	Been convicted of any offence other than a traffic offence in

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		Tanzania or elsewhere or are there any proceedings now pending which may lead to such a conviction?			
	(f)	Has judgement including findings in relation to fraud, misrepresentation or dishonesty been given against him in any annexure, give full details including whether judgement is unsatisfied)	.....	
	(g)	Been declared bankrupt or compounded with or made an assignment for the benefit of his creditors, in Tanzania or elsewhere?	.....	
	(h)	Been engaged in the management of any corporation other than those referred to in answer to question 5?	.....	
	(i)	Been refused a fidelity or surety bond in Tanzania or elsewhere?	.....	
	(j)	Been disqualified as a director, or been a director of a company that has gone into receivership or liquidation in Tanzania or elsewhere?	.....	
8.	In relation to each director and secretary of the applicant set out below details of the officer's employment and business activities during the previous ten years				
PART 3 MISCELLANEOUS					
	Name of director or secretary	Name and address self employer (if self-employed so state)	Nature of business	Description of duties in relation to the employment or activity	Period of employment or activity (give exact date)
1	We are aware of the provisions of the Act relating to false statements made in applications.				
2.	We declare that all information given in this application and in the attached annexure (if any) is true and correct.				
	Dated this Day of20.....				
1.	Signature.....Signature				
				
	Name of Director		(Name of Director /Secretary 2(2)		

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G.N. No. 146 (contd.)

FORM NO. 4 APPLICATION FOR RENEWAL OF A COMMODITY DEALERS/BROKERS LICENCE OR FOR COMMODITY TRADING ADVISORS LICENCE THE COMMODITY EXCHANGES ACT, 2015 ACT NO: 19 OF 2015 (Under section 41(3) and Regulation 13)		
Application is made for the renewal of:		
A commodity broker's /commodity dealer's licence/Commodity trading Advisors licence and the following statement are made in respect of the applicant:		
1.	(a)	Applicant's name.....
	(b)	Expiry date of licence
	(c)	Licence No:
2.	Where the applicant is a company the particulars set out below must be given. (Answer by writing either "Yes" or "NO" in space the provided. If "Yes" attach annexure(s) giving all relevant particulars).	
	(a)	Since the last application-
		Answer
	(i)	has there been a change in the shareholders of the applicant?
	(ii)	has there been a change in the applicant's directors, secretary, senior management personnel or external auditor?
	(iii)	has the applicant been convicted of any offence other than a traffic offence in Tanzania or elsewhere or are there any proceedings now pending which may lead to such a conviction?
	(iv)	has any of the applicant's directors been a director of any company other than those referred to in the last application?
	(v)	has the applicant taken any disciplinary action against any of its representatives?
	(vi)	has the applicant received any complaint?
	(vii)	Has the applicant undertaken to conduct any material new business activity? If so, state the nature of the activity.
	(b)	Please furnish details of any other event which has occurred and which is likely to have a significant effect on the applicant's business during the currency of the licence if granted (including any legal claim against the applicant).
3	Where the applicant is an individual person please complete the following:	

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	(Answer by writing either "Yes" or "No" in space provided. If "Yes" attach annexure(s) giving all relevant particulars.)	
	Since the last application has the applicant-	Answer
	(a) been suspended from membership of any securities exchange or otherwise disciplined by a securities exchange?	..... .....
	(b) been convicted of any offence other than a traffic offence in Tanzania or elsewhere or are there any proceedings now pending which may lead to such a conviction?	..... .....
	(c) has judgement including findings in relation to fraud, misrepresentation or dishonesty been given against him in any civil proceedings, in Tanzania or elsewhere? (If "Yes", using an annexure, give full details including whether judgement is unsatisfied.)	..... .....
	(d) been declared bankrupt or compounded with or made an assignment for the benefit of his creditors, in Tanzania or elsewhere?	..... .....
	(e) Been engaged in the management of any company other than those referred to in the last application?	..... .....
	(f) been refused a fidelity or surety bond in Tanzania or elsewhere?	..... .....
	(g) Undertaken to conduct any material new business activity and if so state the nature of the activity?	..... .....
	(h) Been disciplined by any professional body or other membership body	..........
4.	I am/we are aware of the provisions of the Act relating to provision of false statements in applications	
5.	I /we decalare that all information given in this application and in the attached annexure (if any) is true and correct.	
	Dated this day of20.....	
 Name of director/secretary)	

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		<p>FORM NO. 5</p> <p>APPLICATION FOR A REPRESENTATIVE LICENCE</p> <p>THE COMMODITY EXCHANGES ACT (ACT NO: 19 OF 2015)</p> <p><i>(Under Section 38(3) of the Act)</i></p>	
<p>Application is hereby made for-</p> <p>A Broker's Representative/ Dealer's Representative/ Commodity Trading Adviser's Licence and the following statements are made in respect of the application.</p>			
1	(a)	Applicant's name	
	(b)	Other names	
	(b)	Residential address Tel no:	
	(c)	Date of birth Place of birth.....	
	(d)	No. of years applicant has resided in Tanzania Nationality:	
	(e)	Occupation for which representative's licence is sought	
	(f)	Full name of principal	
	(g)	The full address at which the business of the principal is carried on	
		Tel no:	

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	(h)	Nature of business of the principal :	
	(i)	Address of Place at which register of all commodity contracts will be kept :	
	(j)	Present remuneration arrangement with principal: salary, commission or both:	
	(k)	Directorship in companies in Tanzania or elsewhere	
2.	(Answer either Yes or No in space provided. If yes attach annexures giving all relevant particulars)		
	Has the Applicant-		
	(a)	been licensed or registered in any law which requires licensing or registration to deal or trade in commodities contracts or act as adviser on investment in commodity contracts?	.....
	(b)	been licensed, registered or otherwise authorized by law to carry any trade, business or profession any place?	.....
	(c)	been refused the right or restricted in his right to carry on any trade, business or profession for which a specific licence, registration or other authority is required by law in any place?	.....
	(d)	been a shareholder in a member firm of any commodity exchange?	.....
	(e)	been suspended from membership of any commodity exchange or otherwise disciplined by a commodity exchange?	.....
	(f)	been refused membership of any commodity exchange?	.....
	(g)	carried on business under any name other than the name of names shown in this application in paragraph 1 (a)?	.....
	(h)	been convicted of any offence, other than a traffic offence, in Tanzania or elsewhere, or are there any proceedings now pending which may lead to such a conviction?	.....
	(i)	has judgement including findings in relation to fraud, misrepresentation, or dishonesty been given against him in any civil proceedings in Tanzania or elsewhere” (if yes attach annexure(s) giving full details including whether judgement is unsatisfied)	.....
	(j)	been refused a fidelity or surety bond in Tanzania or elsewhere?	.....
	(k)	been declared bankrupt or compounded with or made an assignment for the benefit of his creditors, in Tanzania or elsewhere?	.....
	(l)	been disqualified as a director of a company or been a director of a company that has gone into receivership or liquidation in Tanzania or

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		elsewhere?	
3.	Has the applicant had any experience in performing the functions of a representative or investment representative? (Answer either Yes or No. If yes attach annexure (s) giving all relevant particulars.)		
4.	Set out below details of the applicant's employment and business activities during the previous ten years.		
Name and address of employer (if self-employed so state)			
Nature of business		Description of duties in relation to the employment or activity	Period of employment or activity (give exact dates)
(separate Annexure)			
5.	Set out below dates of two persons (who shall not be related to the applicant, and neither of whom shall have any interest in the success or otherwise of this application) with whom the applicant has had regular contact over the past five years and of whom the Authority may enquire regarding the applicant's character and reputation:		
Name		Address	Occupation
(Separate Annexure)			
6.	Does the applicant have an interest in any one or more commodity contracts which are listed on a commodity exchange, the aggregate of the nominal amount of which constitutes not less than 5 percent of the aggregate of the nominal amount of all issued shares of the company? (Answer either Yes or No. If Yes, give full details of such interest including names of companies and percentage of interest in a separate annexure.)		
7.	Set out any additional information (including any formal qualifications or training of the applicant and the name of the institution that conducted the course) considered relevant to this application <div style="text-align: center;">(separate annexure)</div>		
8.	I am aware of the provisions of the Act relating to false statements made in applications.		
9.	I declare that all information given in this application and in the attached annexure (if any) is true and correct.		
	Dated this day of .....20.....		
Signature:..... (Applicant)			
Notes:			
	(a)	This application should be accompanied by a certificate in or to the effect of the following form:	
		To the Authority	

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		On the basis of due and diligent enquiry of the background of the applicant named in this form who is in my direct employment or acting for or on behalf of me, and other information available, I believe him to be of good character and reputation and to have the competence and experience to perform the function of a representative.	
Dated this.....day of.....20.....			
Signature:.....			
Name.....			
Capacity.....			
	(b)	Subject to paragraph (c) of this Note, the Certificate should be signed by each licensee by whom the applicant is to be employed or for or by arrangement with whom he is to act.	
	(c)	Where the applicant is to be employed by or to act for or by arrangement with a licensee the Certificate shall be signed by a director or the secretary of that licensee.	
		FORM NO. 6	
		APPLICATION FOR RENEWAL OF A REPRESENTATIVE'S LICENCE	
		THE COMMODITY EXCHANGES ACT	
		(ACT NO: 19 OF 2015)	
Application is hereby made for the renewal of a dealer's representative's/trading Investment Adviser representative's licence and the following statements are made in respect of the application.			
1.	(a)	Applicant's name.....	
	(b)	Expiry date of licence Licence No.	
	(c)	Residential Address: Telephone No.....	
	(d)	Present remuneration arrangement with principal: salary, commission or both	
2		(Answer either "yes or no in space provided. If yes attach annexure giving all relevant particulars). Since the last application has the applicant-	
		Answer	
	(a)	been suspended from membership of any securities exchange or otherwise disciplined by a securities exchange?

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	(b)	been convicted of any offence other than a traffic offence in Tanzania or elsewhere, or are there any proceedings now pending which may lead to such a conviction?
	(c)	has judgement including findings in relation to fraud, misrepresentation or dishonesty been given against him in any civil proceedings, in Tanzania or elsewhere? (If yes using and annexure, give full details, including whether judgment is unsatisfied)	.....
	(d)	been declared bankrupt or compounded with or made an assignment for the benefit of his creditors, in Tanzania or elsewhere?	.....
	(e)	been engaged in the management of any corporation other than those referred to in the last application?	.....
	(f)	been a director of any corporation other than those referred to in the last application?	.....
	(g)	been refused a fidelity or surety bond in Tanzania or elsewhere?	.....
	(h)	Been the subject of any disciplinary action taken by his firm?	.....
	(i)	Been disciplined by any professional or other membership body?	.....
3.	I am aware of the provisions of section 52 of the Act relating to false statements in making this application.		
4.	I declare that all information given in this application and in the attached annexure (if any) is true and correct.		
	Date this .....day of .....20.....		
	Signature		
	Name of applicant.....		
Notes:			
	(a)	This application should be accompanied by a certificate in or to the effect of the following form:	
	<p>To the Authority</p> <p>On the basis of due and diligent enquiry made of the background of the applicant named in this form and who is in my direct employment or acting for or on behalf of me and other information of a representative, I believe him to be of good character and reputation to have the competence and experience to perform the function of a representative.</p> <p>Dated this .....day of .....20.....</p> <p style="text-align: right;">Signature.....</p> <p style="text-align: right;">Name.....</p> <p style="text-align: right;">Capacity.....</p>		
	(b)	Subject to paragraph (c) of this Note the certificate should be signed by each licensee by whom that applicant is to be employed or for or by arrangement with whom he is to act.	
	(c)	Where the applicant is to be employed by or to act for or by arrangement with_	
		(i) A firm, the individual partners of which are licensees, the certificate should be signed by one such partner on behalf of all the partners;	

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		(ii) A licensee which is a company, by a director or the secretary of that company
--	--	--

FORM NO. 7	
THE COMMODITY EXCHANGES ACT	
(ACT NO: 19 OF 2015)	
NOTICE OF PLACE AT WHICH REGISTER IS TO BE KEPT	
<i>(Under Regulation 39)</i>	
1.	Name:
2.	Capacity in which Regulation 38 of the Act applies.....
3.	Residential address and telephone number of applicant:
4.	Business address and telephone number:
5.	Name of employer (if any)
6.	Place at which register is to be kept.....
7.	Date of commencement of keeping register:
	Dated thisday of20.....
	Signature:.....
	Name.....
	Capacity:.....

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FORM NO. 8 NOTICE OF CHANGE OF PLACE OF BUSINESS OR CHANGE OF PLACE AT WHICH REGISTER IS KEPT (Under Regulation 39(3)) THE COMMODITY EXCHANGES ACT (ACT NO: 19 OF 2015)							
1.	Name of licensee:						
2.	Type of licence and licence number:						
3.	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 5%; text-align: center; vertical-align: top;">(a)</td> <td>Former address of place of business</td> </tr> <tr> <td style="text-align: center; vertical-align: top;">(b)</td> <td>New address of place of business:</td> </tr> <tr> <td style="text-align: center; vertical-align: top;">(c)</td> <td>Date of change of place of business:</td> </tr> </table>	(a)	Former address of place of business	(b)	New address of place of business:	(c)	Date of change of place of business:
(a)	Former address of place of business						
(b)	New address of place of business:						
(c)	Date of change of place of business:						
4	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 5%; text-align: center; vertical-align: top;">(a)</td> <td>Former address of place at which register was kept:</td> </tr> <tr> <td style="text-align: center; vertical-align: top;">(b)</td> <td>New Address of place at which register is kept:</td> </tr> <tr> <td style="text-align: center; vertical-align: top;">(c)</td> <td>Date of change of address of place at which register is kept:</td> </tr> </table>	(a)	Former address of place at which register was kept:	(b)	New Address of place at which register is kept:	(c)	Date of change of address of place at which register is kept:
(a)	Former address of place at which register was kept:						
(b)	New Address of place at which register is kept:						
(c)	Date of change of address of place at which register is kept:						
	Dated this day of 20.....						
	Signature:..... Name..... Capacity:.....						

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		<p>FORM NO. 9</p> <p>NOTIFICATION OF CESSATION OF BUSINESS (Under Regulation 14)</p> <p>THE COMMODITY EXCHANGES ACT (ACT NO: 19 OF 2015)</p>	
1	Name of licensee:		
2	Type of licence held and licence number		
3	<p>Notice is hereby given that on the .....day of .....20..... business ceased to be carried on in Tanzania by the above licensee in respect of which he was licensed to carry on business.</p> <p>Dated this .....day of .....20.....</p> <p style="text-align: center;">Signature:.....</p> <p style="text-align: center;">Name.....</p> <p style="text-align: center;">Capacity:.....</p>		
<p>FORM NO. 10</p> <p>NOTICE OF REPRESENTATIVE'S PRINCIPAL AND NOTICE OF CHANGE OF PLACE OF WHICH REGISTER IS KEPT</p> <p><i>Under regulation 14(1) (c)</i></p> <p>THE COMMODITY EXCHANGES ACT (ACT NO: 19 OF 2015)</p>			
1.	Name of licensee:		
2.	Type of licence held and licence number:.....		
3	Residential Address:		
4	<p>Notice is given that on theday of20 ..the licensee will cease to be a representative of and that from theday of20 the licensee will be representative ofwhose principal place of business is at</p>		
5	(a)	Former address of place at which register was kept	

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	(b)	New address of place at which register is kept:	
	(c)	Date of change of address of place at which register is kept:	

**PART B
EDUCATION QUALIFICATION OF LICENCEES**

Commodity Broker’s, Commodity Dealer’s and Commodity Pool Operator’s Representatives

In evaluating the Applications from the proposed Commodity Broker’s or Dealer’s Representatives and Commodity Pool Operator’s Representatives, the CMSA seeks to satisfy itself that the said Representatives have adequate knowledge about commodity trading business and principles and have undertaken and passed the exams in a Training Programme conducted by CMSA or by any institution that is recognized by the CMSA.

As a minimum requirement, a bachelor's degree or its equivalent is important.

Applicable fields of study at both the undergraduate and graduate levels include the following:

- (a) Economics;
- (b) Finance;
- (c) Law;
- (d) Business and Personal Financial Services Marketing Operations;
- (e) Investments and Securities;
- (f) Financial Planning and Services;
- (g) programs emphasizing a combination of agricultural marketing;
- (h) a strong background in specific commodities trading such as practical experience through internship opportunities at brokerage houses and investment firms through a school's relevant degree program.
- (i) Any other training or specialization that may be considered by the CMSA as relevant to commodity trading business.

Commodity Trading Advisers

In evaluating the Applications from the proposed Commodity Trading Advisers, the CMSA seeks to satisfy itself that-

- (a) a Commodity Trading Adviser has adequate knowledge about financial products; and
- (b) has adequate knowledge about commodity exchanges trading business and principles and has undertaken and passed the exams in subjects that affiliate with his firm's activities in a Training Programme conducted by CMSA or by any institution that is recognized by the CMSA.

In that regard, a Commodity Trading Adviser may hold any combination of qualifications depending on the nature of their firm's advisory practice that they seek to be granted a licence. Some of the qualifications to be taken into account by the CMSA include:

- (a) Financial Analysis,
- (b) Financial Planning,
- (c) the Underwriting Financial Consultancy,
- (d) Retirement Planning,
- (e) Masters of Science Degree in Financial Services,
- (f) Bachelor of Law or Economics; and
- (g) Any other subjects or specialization deemed by the Authority to be related to the above.

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G.N. No. 146 (contd.)

—————
SECOND SCHEDULE
—————

(Under Regulation 8(3))

FORM OF LICENCE GRANTED BY THE AUTHORITY

**THE COMMODITY EXCHANGES ACT
(ACT NO: 10 OF 2015)**

(under Section 8)

THIS LICENCE is granted to (name)..... of
(address).....
..... and authorizes
the said person to conduct or carry on the business of (type of
business).....in the United Republic of Tanzania for a period of one
year beginning on the.....and ending on the (both dates inclusive).

THIS LICENCE is issued subject to maintenance of the requirements of the provisions of the Capital
markets and Securities Act, Regulations and Rules made thereunder and such conditions as may be
stipulated by the Authority and by the stock exchange of which the applicant is or proposes to be a
member.

Dated 20.....

Licence No.

.....
Chief Executive Officer

.....
Capital Markets and Securities
Authority

Commodity Exchanges

G.N. No. 146 (contd.)

—————
THIRD SCHEDULE
—————

(Made under Regulation 16(5))
—————

NOTICE OF INTENTION TO REVOKE LICENCE

1. On the (date and name of the company) was issued with (type of Licence) by the Authority terms of the commodity Exchanges Act No..... of 2015 (herein after “The Act”) (**where revocation is due to**
2.) commenced its licensed operations on or before the.....
3. has, despite numerous reminders to wit letters dated.....respectively, failed to (indicate the breach).....
4. Site visits were made to the premises located at plot.....whereat the following was observed (findings of the team to be summarized here).
5. Failure to (indicate the offence without reasonable explanation is a material breach of the licence conditions.

(Where revocation is due to nonpayment of fees)

6. The Licensees are required to pay licence fees as determined by the Authority.
7. CMSA has determined the Licence fees to be paid by (name of company) in respect of the above licence in the sum of TZS.....(Amount in words).
8. (name of company) has, notwithstanding its statutory obligations set out in its Licence, not only failed, but refused to pay its licence fees for its licence aforesaid despite its numerous promises to pay such fees.
9. It is evident from its conduct that (name of company) has no intention of paying the required annual licence fees amounting to TZS.....

Under the circumstances and in terms of Section of the Act (name of company) is hereby given notice and afforded the opportunity to rectify its failure to pay licence fees/commence its operations or show cause within 30(Thirty) days hereof, why its licence should not be revoked.

Should the 30 days expire without any action on the part of (name of company), the CMSA will revoke (name of company) licence without any further reference to it.

Yours Sincerely,

.....
Chief Executive

Commodity Exchanges

G.N. No. 146 (contd.)

FOURTH SCHEDULE

(Made under Regulation 16(5)(B))

PART I GUIDE TO CONDUCT OF HEARINGS

The following rules shall guide hearings before the Hearing Panel/Committee:

1. The Licensee shall appear personally or may be represented by counsel and shall be given an opportunity to be heard.
2. All parties i.e. Licensee, counsel, CMSA officers (Hearing Officers) and all other persons present shall be identified.
3. All testimony shall be recorded in writing and may also be recorded on tape.
4. The language to be used shall be determined by the hearing officer taking into consideration the language that the parties will be able to articulate issues and express themselves comfortably.
5. all relevant materials or evidence shall be admitted by the hearing officer.
6. Objections to the admission or exclusion of evidence shall be brief, with grounds for the objection identified.
7. Any offer of proof made in connection with an objection taken to the admission or exclusion of evidence shall consist of a statement of what factual evidence or expert opinion the proponent contends would lead to relevant probative and admissible evidence.
8. Subsequent to his or her initial testimony, any witness may be examined by any party of record or his or her counsel.
9. Applicant shall testify and shall be cross examined by the Hearing Officers.
10. The Licensee shall be given the record of the proceedings both in written form and on tape.

PART II POST – HEARING PROCEDURE

11. Based only upon the testimony presented at the hearing, the Hearing Officer(s) shall prepare a report and recommendation to the management setting forth findings of fact, conclusions of law, and recommendations based on these findings.
12. Management shall consider the Report of the Hearing Officer(s) and may confirm, vary or amend the recommendations of the Hearing Officer(s) and submit the recommendations to the Board for final decision.
13. The Authority's decision shall be delivered within 7(Seven) working days from the date of hearing and shall be read to the Licensee.
14. A copy of the Authority's decision shall be given to the Licensee.
15. A final decision of the Authority may be appealed to the Tribunal.

—————
FIFTH SCHEDULE
—————

(Under Regulation 18)

NOTIFICATION OF REVOCATION OF LICENCE

The Capital Markets and Securities Authority (CMSA or the Authority) notifies (name of the licensee), that the licence granted to (name of the licensee) on the (date), is hereby revoked in terms of Section of the Commodity Exchanges Act, 2015 with immediate effect.

The reason for the revocation is that (name of the licensee) has contravened a material Licence condition, *viz* **Clause ...** of the Licence.

On the (date) the Authority called (name of the licensee) to a hearing whereat (name of the licensee) was to show cause why the licence granted to itself should not be revoked.

The Authority has considered the submissions made by (name of the licensee) and has come to the conclusion that the reasons preferred for breach of material terms and conditions of its licence as noted above have failed to convince the Authority why it should not revoke its licence.

(Reasons must be given in full).

(name of the licensee) is also notified that the general public and other stakeholders will accordingly be informed of this development.

Should (name of the licensee) be aggrieved by the decision of the Authority it is advised of its right of Appeal to the Tribunal within 14 days of this notification in terms of **Section** of the Commodity Exchanges Act.

Chief Executive Officer
Capital Markets and Securities Authority

—————
SIXTH SCHEDULE
—————

(Under Regulation 30)

COMMODITY EXCHANGE INTERMEDIARY AGREEMENT WITH CLIENT

Inconsideration of (name of Licensee) accepting and maintaining for the undersigned (“Client”) one or more accounts (collectively referred to as the “Account”) (name of Licensee) ’s agreement to act as (broker or as dealer) for the Client for the execution, clearance and/or carrying of such transactions as (name of Licensee) agrees to accept for the purchase and sale of commodities contracts for the delivery of commodities, and related contracts Client agrees that:

1. Trading Authorization

- 1.1 XY is authorized to purchase and sell commodity contracts for the Client’s Account and risk in accordance with Client’s oral, written or electronic instructions.
- 1.2 XY also is authorized, in its discretion, to delegate the execution, clearance and/or settlement of Client’s instructions and transactions to such persons as XY in good faith deems appropriate, including brokers, clearing and non-clearing members and floor brokers, whether or not affiliated or related to XY (each, a “delegate,” and collectively, the “delegates”).
- 1.3 The Client understands that if it wishes to transmit order instructions electronically, It will comply with XY’s Electronic Access Policy as in effect from time to time.

2. Applicable Rules and Regulations.

- 2.1 All transactions in Client’s Account shall be subject to-
 - (a) the terms of this Agreement and all related agreements and laws,
 - (b) regulations, rules and interpretations applicable to the commodity exchange market and any associated clearing organization on which such transactions are executed, cleared and/or carried, and
 - (c) Customs and usages of trade enforce from time to time.
- 2.2 If any term or provision of this Agreement is, or at any time becomes, inconsistent with any present or future law set out in paragraph 2.1(b) or otherwise is invalid or unenforceable, the inconsistent term or provision shall be deemed amended or superseded to conform with such rule or law, but in all other respects this Agreement shall continue in full force and effect.
- 2.3 Neither XY, nor its Affiliates agents or delegates shall be liable to Client as a result of any action reasonably taken by XY, its Affiliates, agents or delegates to comply with the law.
- 2.4 XY’s violation of any law shall not provide Client in any legal, reparation, arbitration or other proceeding with –
 - (a) A defense to a claim by XY for money or other property due under this Agreement; or
 - (b) A basis for a claim by Client that money or other property is due from XY, unless such violation has been determined to be in relation to a transaction that

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Client did not give instructions to effect and is the direct cause of Client's claimed indebtedness to XY.

- 2.5 The term "Affiliates" shall mean all entities, present and future, which are controlling, controlled by or under common control with XY, including but not limited to XY's holding company.

3.0 Payment Obligations of Client

- 3.1 Client agrees to pay XY up on demand-
- (a) all customary broker age charges, fees, commissions as XY may from time to time charge;
 - (b) applicable regulatory and self-regulatory fees or charges including exchange, clearing house, clearing member, and regulator's Commission, and;
 - (c) any applicable tax imposed on transactions in Financial Instruments;
 - (d) the amount of any trading losses in the Account;
 - (e) any debit balance or deficiency in the Account;
 - (f) interest on any debit balances or deficiencies in the Account at the rate customarily charged by XY, together with costs and reasonable legal fees incurred in collecting any such debit balance or deficiency;
 - (g) any fees or charges associated with failure to deliver or failure to receive of money or commodity contracts; and
 - (h) any other amount so wed by Client to XY with respect to the Account or any transactions therein.
- 3.2 All payments required to be made by Client shall be made by wire transfer or by check in its sole and absolute discretion of immediately available funds only to the Account of XY asset for thin the instructions accompanying this Agreement.
- 3.3 The Client agrees that when requested, whether by telephone or other communication, to furnish XY with names of bank and information necessary for immediate verification of such wire transfers.

4.0 Acknowledgment of Risks

Client acknowledges that trading in Financial Instruments is a speculative activity involving leverage and rapidly fluctuating markets. Despite such risks, Client is willing and able to assume the financial risks and other hazards of trading in Financial Instruments.

5.0 Risk of Loss; Limitation of Liability

- 5.1 All transactions effected for Client's Account and all fluctuations in the market prices of the Financial Instruments carried in Client's Account are at Client's risk, and Client shall be solely liable therefore under all circumstances.
- 5.2 Client represents and warrants that the Client is willing and financially able to sustain such losses, and that the trading of Financial Instruments is suitable for Client.
- 5.3 XY shall not be responsible for the obligations of the persons with whom Client's transactions are effected, nor is XY responsible for the performance or non-performance by any contract market, exchange, trading system, clearinghouse, clearing firm or other third party (including floor brokers and banks) to XY of its obligations in respect of any Financial Instruments or other property of Client; or for delays in the transmission, delivery or execution of Client's orders due to malfunctions of communications facilities or systems or other causes beyond XY's

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- reasonable control or anticipation.
- 5.4** Client consents to XY's use of automated systems or service bureau in conjunction with Client's Account, including, but not limited to, automated order entry, order routing and/or order execution; recordkeeping, reporting and Account reconciliation; and risk management (collectively, "Automated Systems").
- 5.5** The Client understands that the use of Automated Systems entails risks, including, but not limited to, interruption of service, system or communications failure, delays in service, and error in the design nor functioning of such Automated Systems (collectively, a "System Failure"), that could cause substantial damage, expense or liability to the Client.
- 5.6** XY makes no representation or warranty of any kind, express or implied, with respect to the selection, design, functionality, operation, title or non-infringement of any automated system, and makes no express or implied warranty of merchantability or fitness for a particular purpose, title and/or non-infringement, and specifically disclaims any implied warranty with respect thereto.
- 5.7** Without limiting the foregoing, XY expressly disclaims any representation that any automated system will operate uninterrupted or be error-free for any failure or delay in informing Client of any System Failure or in taking action to prevent or correct any such System Failure.

6.0 Trading Recommendations

- 6.1** Any trading recommendation or market information furnished to Client by XY is incidental to the conduct of XY's business as a market intermediary and shall not serve as the primary basis for Client's trading decisions.
- 6.2** Client acknowledges that any recommendations or market information provided by XY, while based upon information from sources that XY believes to be reliable, may be incomplete, inaccurate or unverified and XY makes no representation, warranty or guarantee as to the accuracy of any such information.
- 6.3** Further, Client acknowledges that recommendations given to Client at any given time may be different from recommendations given to other Clients of XY and that such recommendations may not be consistent with the investments of XY, or any of its Affiliates, officers, directors, employees and agents.
- 6.4** XY shall have no responsibility or liability as a result of any prediction, recommendation or advice made or given by a representative of XY whether or not given at the request of Client. Any instruction given by Client is based upon Client's own independent and informed decision and not in reliance on any recommendations, advice or statement made by any of XY's employees, representative so agents.

7.0 Indemnification

- Client agrees to indemnify, defend and hold harmless XY, its Affiliates, directors, officers, stockholders, employees, successors, assigns and agents from and against any liability, loss, cost or expense (including without limitation reasonable legal fees and expenses, costs of collection of debit balances, interest and any fines imposed by any exchange, self-regulatory organization or governmental body) arising from any-
- (a) failure of Client to perform its obligations under this Agreement;
 - (b) failure of Client to comply with any rule or law; or
 - (c) representation or warranty made by Client in this Agreement or in the forms attached hereto ceasing at any time to be true or accurate.

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8.0 Recording.

Client has been informed that all conversations regarding Client's Account, orders and Financial Instruments between Client and XY (or any of their respective agents) may be recorded by XY, without any obligation of XY to make or retain such recordings, and Client irrevocably consents to such recordings and to XY's use of such recordings in any proceeding or as XY otherwise deems appropriate.

9.0 Foreign Currency.

If any transaction for Client's Account is effected on any exchange or in any market on which transactions are settled in a foreign currency-

- (a) any profit or loss arising as a result of a fluctuation in the rate of exchange between such currency and the United States dollar shall be entirely for Client's Account and risk,
- (b) all initial and subsequent margin deposits required or requested by XY shall be in Tanzanian Shillings or, if requested by XY, in the currency required by the applicable exchange or clearing house; and
- (c) XY is authorized to convert funds in Client's Account into and from such foreign currency rates of exchange prevailing at the banking and other institutions with which XY normally does business.

10.0 Margin Requirements.

10.1 The Client shall at all times maintain such margins and premiums for Client's Account as required from time to time by XY.

10.2 A Client shall make deposits of margin or premium as XY requests within a reasonable time after such request.

10.3 In the absence of unusual circumstances, one (1) hour shall be deemed to be a reasonable time. However, XY reserves the right to request deposits on shorter notice.

10.4 Margin deposits shall be made by wire transfer (or by check if permitted by XY in its sole and absolute discretion) of immediately available funds and shall be deemed made when received by XY.

10.5 XY's failure at any time to call for a deposit of margin shall not constitute a waiver of XY's rights to do so at any time thereafter, nor shall it create any liability of XY to Client. XY shall not be required to pay interest on funds in Client's Account except as may be agreed upon in writing from time to time.

11.0 Security Agreement

11.1 The Client hereby grants to XY a first priority security interest, and right of set-off against, all property of Client in the Account or otherwise held by or for XY or any of its Affiliates, including without limitation commodity contracts, cash, and other property related thereto (each referred to as "Collateral"), and the proceeds thereof, and all obligations, whether or not due, which are held, carried or maintained by XY or its Affiliates or in the possession or control of XY or its Affiliates or which are, or may become, due to Client (either individually or jointly with others or in which Client has any interest) and all rights Client may have against XY or its Affiliates as security for the performance of all Client's

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obligations to XY or its Affiliates.

- 11.2 The Client acknowledges that XY and its Affiliates act as agents for each other in respect of the assets subject to the security interest as described above.
- 11.3 XY may, by notice to and consent of the Client, deduct any amounts from the Account and apply or transfer any of Client's Collateral interchangeably between the Account and any of Client's accounts with XY's Affiliates, each of which constitutes unconditional security for all obligations of Client.
- 11.4 The Client agrees that to the extent that it is effecting transactions, XY is acting as Client's intermediary and Client's account is a Securities Account.
- 11.5 Client further agrees that XY may, at any time and from time to time, require Client to deliver Collateral to margin and secure Client's performance of any obligations to XY. such Collaterals shall be delivered, within 24 hours of request (or such shorter time as maybe specified by XY), in such amount and form and to such Account or recipient as XY shall specify.
- 11.6 If delivery is not made within 24 hours, the Client shall pay interest on the unpaid indebtedness at an interest rate equal to 1% above the prime rate as announced from time to time by the banking and other institutions with whom XY normally does business, plus service charges and all costs of collection (including without limitation reasonable attorneys' fees).
- 11.7 Client there by grants XY the right to borrow, pledge, repledge, hypothecate, re-hypothecate, loan or invest any of the Collateral, upon XY notifying the Client, and with an obligation to pay or account to Client for any interest, income or benefit that may be derived therefrom except as may be separately agreed in writing.

12.0 Remedies

- 12.1 In the event that –
 - (a) the Client dies or becomes incapacitated;
 - (b) XY is unable to contact Client due to Client's unavailability or due to unforeseeable breakdown in communications systems or facilities;
 - (c) The Client terminates, dissolves, suspends its usual business or any material portion thereof;
 - (d) a petition for insolvency, bankruptcy, assignment for the benefit of creditors or receivership is filed by or against the Client or Client is generally unable to pay debts as they become due (or Client admits such inability in writing);
 - (e) the Client's Account is attached;
 - (f) the Client fails to perform any material obligation under this Agreement, including without limitation a failure to satisfy any margin call or debit balance in the Account; and
 - (g) any representations made or deemed to be made by the Client prove to have been incorrect or misleading when made or when deemed to have been made; or
 - (h) XY in its discretion reasonably deems it necessary for its protection,
 - (i) XY shall have the right, in addition to any other remedy available at law or inequity, to-
 - (i) Apply any Collateral (or sell any such Collateral and apply the proceeds there from)to ward amounts payable by Client hereunder;
 - (ii) cover or liquidate any position Client may have with XY (including but not limited to whole or partial liquidations of Client's Account;

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buying in property which Client's Account may be short; the exercise of any option; or the straddling of existing open positions if they cannot be satisfactorily liquidated because the market is illiquid or has reached a price limit, or for any other reason); or

- (iii) cancel any or all pending orders and refuse to accept new orders, all without liability on XY's part to the Client or any third party.

12.2 The above remedies are solely for XY's protection and any non-resort or partial resort to those remedies shall not relieve the Client of any of its obligations under this Agreement.

13.0 Sales

- 13.1 Any sales of Collateral made pursuant to paragraphs 11 or 12 may be made according to XY's good faith judgment and commercial reasonableness, on or subject to the rules of the exchange or any other market where such business usually is transacted, or at public or private sale, including, without limitation, through exchange for physical transactions.
- 13.2 For the purposes of paragraph, 13.1, the Client expressly authorizes XY to act as broker for Client or as principal opposite Client with respect to such transactions and to execute such physical commodity transactions and documents on behalf of Client as may be necessary to effect such transactions.
- 13.3 The Client recognizes that such transactions may not be competitively executed, but understand that they will be executed at the market price available.
- 13.4 In the event XY's position would not be jeopardized there by, XY will make reasonable efforts to notify the Client prior to taking any such actions.
- 13.5 At any sale XY may purchase the whole or any part thereof free from any right of redemption, and the Client shall remain liable for and shall promptly pay XY the amount of any deficiency.
- 13.6 The Client understands that a prior tender, demand or call of any kind from XY, or prior notice from XY of the time and place of such sale, shall be considered an obligation for XY's right to sell any Commodity Contract or other Collateral.
- 13.7 Failure to act in such circumstances shall impose liability on XY and shall create a defense for Client to such liability of XY.

14.0 Trading Limitations

- 14.1 The Client agrees that XY may, refuse to accept or execute any order from Client, including, but not limited to, in the event XY believes that the acceptance or execution of Client's order would be in contravention of any rule or law.
- 14.2 XY may at any time, limit the number or types of positions which Client may maintain or acquire through XY, and Client agrees not to exceed such limits.
- 14.3 XY is under no obligation to effect any transaction for Client's Account that would create positions in those accounts in excess of the limit XY has set.
- 14.4 If Client exceeds position limits imposed by XY, XY shall have the right to liquidate positions in excess of the applicable position limit and in such instances, XY shall have the right to liquidate Client's positions at any time and notify the client thereafter.

15.0 Liquidation Instructions

- 15.1 The Client shall provide XY with liquidating instructions on its commodity positions maturing in a current month five (5) business days prior to the last trading day or alternatively, provide to XY sufficient funds to take delivery or necessary delivery documents by such deadline.
- 15.2 Unless the Client provides such instructions, funds or documents to XY by such deadline, XY at any time during the five (5) day period prior to expiration may without notice liquidate the Client's position or make or receive delivery on the Client's behalf upon such terms and conditions as XY advises the client .
- 15.3 Where XY elects to make delivery on Client's behalf, Client authorizes XY, to borrow or purchase and execute and deliver the necessary delivery documents, and to guarantee and hold XY harmless against any costs, losses, damages or premiums it may incur in making such delivery or may sustain from its inability to borrow or purchase the delivery documents.
- 15.4 In the event XY takes delivery of any property for Client's Account, Client agrees to pay all delivery, storage, insurance, interest and related charges, and to guarantee and hold XY harmless against any loss XY may suffer, directly or indirectly, from a decline in the value of such property.
- 15.5 The Client expressly acknowledges that, particularly in volatile markets, the making or accepting of delivery may involve a higher degree of risk than liquidating a position by offset.

16.0 XY Affiliates

The Client acknowledges that XY is a separate and independent corporate entity, distinct from its parent and Affiliates. The commodity contracts offered, executed, cleared or carried by XY and the Collateral associated with such commodity contracts are not bank deposits, are not insured are not guaranteed by a bank affiliated with XY and are not otherwise an obligation or responsibility of an affiliated bank.

17.0 Notices and Communications

- 17.1 The Client shall make all payments, except with regard to wire transfers discussed in Section10, and deliver all notices and any other communications to the offices of XY.
- 17.2 All communications from XY to Client will be sent to Client by mail or the electronic mail address indicated by Client on Client Form or to such other mail address or facsimile number as Client hereafter directs in writing.
- 17.3 Confirmations of trades, statements of Account, and any other notices sent to Client shall be binding on Client for all purposes, unless Client calls any error therein to XY's attention –
 - (a) in the case of oral reports of executions, at the time received by Client or its agent, and
 - (b) in the case of a written report (whether transmitted by mail, facsimile, electronic mail, messenger or otherwise), prior to opening of trading on the business day next following receipt of the report.
- 17.4 Margin calls shall be deemed conclusively correct if not objected to by Client by notice to XY in writing, within 24 hours of delivery of such margin call.
- 17.5 None of these provisions, however, will prevent XY upon discovery of any error or omission, from correcting it.

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- 17.6 The parties agree that such errors, whether resulting in profit or loss, will be corrected and Client's Account will be credited or debited so that it is in the same position it would have been in if the error had not occurred,
- 17.7 It is understood that in no event shall XY be liable for any consequential or incidental damages arising out of such error.
- 17.8 Whenever a correction is made, XY will promptly make written notification to Client.
- 17.9 All communications sent to Client by XY to such address, whether by mail, telephone, facsimile, electronic mail, messenger or otherwise, shall be deemed given to Client personally whether or not actually received by Client, and Client hereby waives all claims resulting from failure to receive such communications.
- 17.10 In the event that there is a disruption in the ability of XY to transmit to Client any communication by facsimile or electronic mail, XY reserves the right to transmit such communications by any means that it deems reasonably appropriate, including by mail.

18.0 Client Documents

- 18.1 The Client represents that the information on the Client is true and complete and that the representations in this Agreement and any applicable ancillary documents are accurate and that XY and its agents are entitled to rely on such information and representations for all purposes, unless XY receives notice in writing of any change.
- 18.2 The Client shall notify XY of any material change in such information or representations.
- 18.3 To the extent certain ancillary documents are applicable, executed and delivered in connection with this Agreement; any or all such ancillary documents are incorporated herein by reference.
- 18.4 Where any term or provision of any of such ancillary documents conflicts any term or provision of this Agreement, the terms and provisions of this Agreement, shall prevail.

19.0 Termination

- 19.1 This Agreement may be terminated by either party at any time upon written notice to the other party.
- 19.2 In the event of such notice, the Client shall either close out open positions in the Account or arrange for such open positions to be transferred to another broker or dealer.
- 19.3 Upon satisfaction by Client of all Client's liabilities, XY shall transfer to another broker, and shall transfer to Client or to another broker as Client may instruct, all cash, securities and other property held in the Account, where upon this Agreement shall terminate.
- 19.4 Termination of this Agreement and/or transfer to another broker or dealer shall not relieve either party of any obligation in connection with any debit or credit balance or other liability or obligation incurred prior to such termination and/or transfer.

20.0 Representations.

- 20.1 The Client represents and warrants that:
- (a) If a natural person, the Client is of legal age, under no legal incapacity and is not restricted from entering into this Agreement and effecting purchases and sales

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- of Financial Instruments by virtue of employment or otherwise;
 - (b) If an entity, the Client is duly organized and in good standing in the jurisdiction of its formation, and it may lawfully and is duly authorized and empowered to enter into this Agreement and to effect purchases and sales of Financial Instruments
 - (c) This Agreement is binding on the Client and enforceable against the Client in accordance with its terms;
 - (d) It is in compliance with any applicable registration requirements (or exemptions therefrom) of the Commodity Exchanges Act or any applicable requirements of the law relating to Commodity Exchanges Act;
 - (e) All such transactions shall be for the purpose of:
 - (i) Effecting delivery pursuant to a commodity contract; or
 - (ii) Risk reduction or arbitrage of existing or contemporaneously created positions in commodity contracts; or
 - (iii) Exchange of contracts for physical delivery where XY acts as principal or agent in connection therewith;
 - (f) No person other than Client has an ownership interest in Client's Account with XY unless such other persons are indicated to XY in the Client information; and
 - (g) XY is entitled to rely upon all actions taken and instructions given by any person with apparent authority to act on Client's behalf, and any person specifically designated to act on Client's behalf.
- 20.2 The foregoing representations shall be deemed to be repeated at all times until the termination of this Agreement.

21.0 Special Provisions for Managed Accounts

- 21.1 If Client's Account is being managed by a third party, the Client acknowledges and agrees that XY is responsible only for the execution, clearing and/or carrying of transactions in Client's Account and that XY has no responsibilities or obligations regarding any conduct, action, representation or statement of any such third party in connection with Client's Account or any transactions therein.
- 21.2 The Client has delivered to XY a copy of such third party's written trading authorization or Client's acknowledgment of such authorization, in a form acceptable to XY.

22.0 Financial Information

- 22.1 The Client shall provide to XY such financial information regarding the Client as XY may from time to time reasonably request.
- 22.2 The Client agrees to notify XY immediately (and no later than one business day) of any material adverse change in its financial condition.
- 22.3 XY is authorized at any time to make inquiries, including with Client's banks or any credit agency, for purposes of verifying information contained on the Client information supplied to XY.

23.0 Compliance with Anti-Money Laundering Law

- 23.1 The Client acknowledges that XY is subject to laws, including the Customer Identification requirements under the Anti-Money Laundering Act and its Regulations, pursuant to which XY must obtain, verify and record information that allows XY to identify Client.
- 23.2 Accordingly, prior to opening account hereunder XY is obliged to ask Client to

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provide certain information including, but not limited to, name, physical address, tax identification number and other information that will assist XY to identify and verify Clients identity such as organizational documents, certificate of good standing, license to do business, or other pertinent identifying information.

24.0 Inactive Accounts

- 24.1 The Client acknowledges that XY may routinely place Accounts in which there is no trading activity on in active status and Client agrees to provide whatever information and execute such additional documentation.
- 24.2 XY may reasonably require upon Client's request to reactivate such Inactive Account.

25.0 Binding Effect of Agreement.

- 25.1 This Agreement may only be assigned by Client with the prior written consent of XY.
- 25.2 XY shall have the right upon notice to Client to transfer or assign this Agreement (and thereby the Account) to any success or entity or to another licensed intermediary after obtaining the consent of Client.
- 25.3 This Agreement shall be binding upon and inure to the benefit of XY and its successors and assigns, and Client's personal representatives and permitted success or sand as signs.

26.0 Modifications.

- 26.1 Except as provided in Section 2, no change in or waiver of any provision of this Agreement shall be binding unless it is in writing, dated subsequent to the date hereof, and signed by the party intended to be bound.
- 26.2 No agreement or understanding of any kind shall be binding upon parties unless it is in writing and signed by their authorized officers.

27.0 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of Tanzania.

28.0 Dispute Resolution.

All actions, disputes, claims or proceedings, arising directly or indirectly in connection with, out of or related to or from this agreement, any other agreement between the client and XY or any orders entered or transactions effected for client's accounts whether or not initiated by XY shall be amicable resolved by the parties, failure of which, shall be adjudicated by the courts or other dispute resolution forums whose *situs* is within Tanzania and client consents and submits to the jurisdiction of the court or arbitration proceedings located within T anzania.

29.0 Client Acknowledgments

The Client hereby acknowledges that it has received and understands the risk disclosure statements prescribed by the regulation 32.

SEVENTH SCHEDULE

(Under Regulation 31)

KNOW YOUR CLIENT (KYC) APPLICATION FORM

PHOTOGRAPH

Please affix your recent passport size photograph

Please fill this form in ENGLISH and in BLOCK LETTERS.

1. IDENTITY DETAILS:

- (a) Name of the Applicant:
(b) Father's/ Spouse Name:
(c) Gender: Male/ Female
(d) Marital status: Single/ Married
(e) Date of birth:(dd/mm/yyyy)
(f) Nationality:.....
(g) Status: Resident Individual / Non Resident Foreign National. (If Non Resident / Foreign National, self-certified copy of statutory approval obtained must be attached
(h) TIN:.....
(i) National Identification Number:.....
(j) Any other additional proof of identity:

1. B. ADDRESS DETAILS

(Proof of address must be different from the proof of identity submitted).

- (a) Address for correspondence:
City/ district /village.....
PinCode:.....State:.....Country.....
.....
Contact :Tel. OffTel. (Res.).....Mobile No.:.....
Fax:..... Email

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id:.....

(b) **Specify the proof of address submitted for correspondence address:**

Permanent Address (if different from above):

City/district/village:..... Pin Code:.....

State:..... Country:.....

Tel. (Res.)..... Mobile No.:.....

Fax:..... Email id:.....

(c) **Specify the proof of address submitted for permanent address, if any:**

.....
.....
.....
.....
.....
.....
.....

2. OTHER DETAILS:

(a) **Gross Annual Income Details (please specify):**

Income Range per annum:

- (a) Below TZS 3M/
- (b) TZS 3-5
- (c) TZS 5-10
- (d) TZS 10-25
- (e) TZS >25 or

(b) **Net-worth as on** (date) (Net worth should not be older than 1 year)

.....
.....

(c) **Occupation (please tick any one and give brief details):**

- (a) Private Sector;
- (b) Public Sector;
- (c) Government Service;
- (d) Business;
- (e) Professional;
- (f) Farmer;
- (g) Other (specify)

(d) **Please tick, as applicable:**

- (a) Politically Exposed Person (PEP)
- (b) Related to a Politically Exposed Person (PEP)
- (c) Not a Politically Exposed Person (PEP);
- (d) Not Related to a Politically Exposed Person (PEP)

(e) **If you have a landline connection, kindly provide the same:**

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3. BANK ACCOUNT(S) DETAILS

- (a) Bank..... Branch.....
Name:..... Bank account No:.....
Account Type: Saving/Current/

Note: Provide a copy of cancelled cheque leaf/ pass book/bank statement specifying name of the client, Code of the bank.

4. DEPOSITORY ACCOUNT(S) DETAILS, if available:

- (a) **Depository Participant Name:**.....

(b) **Depository Name:**.....

Beneficiary name:.....

Note: Provide a copy of either a recent holding statement issued by DP bearing name of the client.

5. TRADING PREFERENCES

Note: Please sign in the relevant boxes against the Exchange with which you wish to trade. The Exchange not chosen should be struck off by the client.

Sr. No:	Name of the commodity exchange	Date of consent for trading on concerned commodity exchange	Signature of the Client

At the time of printing the form, the Member must specify the names of the Exchanges where the Member has membership.

[In case of allowing a client for trading on any other Exchange at a later date, which is not selected now, a separate consent letter is required to be obtained by the Member from client and to be kept as enclosure with this document]

6. INVESTMENT/TRADING EXPERIENCE

- (a) No Prior Experience
(b) Years in Commodities
(c) Years in other investment related fields

7. VAT DETAILS (As applicable, State wise)

- (a) VAT Registration No. :

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- (b) Validity Date :.....
- (c) Name of the place :.....

8. PAST REGULATORY ACTIONS

Details of any action/proceedings initiated/pending/ taken by CMSA / commodity exchange /
/any other authority against the client during the last 3 years.....
.....
.....
.....

9. DEALINGS THROUGH OTHER MEMBERS

If client is dealing through any other Member, provide the following details (in case dealing with multiple Members, provide details of all in a separate sheet containing all the information as mentioned below) :

Member's / Authorized Person (AP)'s Name:.....
Exchange:.....
Exchange's Registration number:.....

Concerned Member's Name with whom the Authorized Person is registered:

Registered office address:.....
Fax:..... Email:.....
Website:.....

Details of disputes/dues pending from/to such Member/Authorized Person:

10. INTRODUCER DETAILS (optional)

Name of the Introducer:.....
Status of the Introducer: Authorized Person/Existing Client/Others, please specify
.....
Address and phone no. of the introducer
.....
.....
Signature of the Introducer

11. ADDITIONAL DETAILS

Whether you wish to receive communication from Member in electronic form on your
Email-id [Yes / No] :

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[If yes then please fill in Appendix-A]

12. NOMINATION DETAILS

I/We wish to nominate I/ We do not wish to nominate:

Name of the Nominee:.....
ID of the Nominee:.....
Relationship with the Nominee:.....
Date of Birth of Nominee:.....
Address and phone no. of the Nominee:
.....
.....
.....

If Nominee is a minor, details of guardian:

Name of guardian:.....

Address and phone no. of Guardian:
.....
.....
.....

Signature of guardian:.....

WITNESSES (Only applicable in case the account holder has made nomination)

Name:

Signature.....

Address:.....

Name:.....

Signature:.....

Address:.....

DECLARATION

1. I/We hereby declare that the details furnished above are true and correct to the best of my/our knowledge and belief and I/we undertake to inform you of any change therein, immediately. In case any of the above information is found to be false or untrue or misleading or misrepresenting, I am/we are aware that I/we may be held liable for it.

2. I/We confirm having read/been explained and understood the contents of this form and provided the supporting document voluntarily.

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3. I/We further confirm having read and understood the contents of the 'Rights and Obligations' document(s), 'Risk Disclosure Document' and 'Do's and Dont's'. I/We do hereby agree to be bound by such provisions as outlined in these documents. I/We have also been informed that the standard set of documents has been displayed for Information on Member's designated website, if any.

Place..... **Date**.....

FOR OFFICE USE ONLY

The Anti Money Laundering Act have been complied with and explained to the Client:

Name of the Employee:	
Employee ID:	
Designation of the employee:	
Date	
Signature	

I / We undertake that we have made the client aware of relevant laws. I/We have also made the client aware of 'Rights and Obligations' document (s), and appropriately guided the client.. I/We undertake that any change in the law would be duly intimated to the clients. I/We also undertake that any change in the 'Rights and Obligations' would be made available on my/our website, if any, for the information of the clients.

Signature of the Authorized Signatory.....

Date.....

INSTRUCTIONS/CHECK LIST FOR FILLING KYC FORM

A. IMPORTANT POINTS:

1. Certified copy of personal identification card is mandatory for all clients, including Promoters/Partners/Trustees and whole time directors and persons authorized to deal in commodities on behalf of company, firm or others.
2. Original document shall be submitted by the applicant.
3. Copies of all the documents submitted by the applicant should be properly attested by entities authorized for attesting the documents
4. In case the original of any document is not submitted, then the copies should be properly attested by entities authorized for attesting documents in accordance with the law.
5. If any proof of identity or address is in a language other than English or Kiswahili, then translation into English is required.
6. Name and address of the applicant mentioned on the KYC form, should match with the documentary proof submitted.
7. If correspondence and permanent address are different, then proofs for both have to be submitted.

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8. Sole proprietor must make the application in his individual name and capacity.
9. For non-residents and foreign nationals, (allowed to trade subject to the appropriate lawor guidelines and other applicable statutory approvals), copy of passport and overseas address proof is mandatory.
10. For foreign entities, director's copies of passport should be provided.
11. Politically Exposed Persons (PEP) are defined as individuals who are or have been entrusted with prominent public e.g., Heads of States or of Governments, senior politicians, senior Government/judicial/ military officers, senior executives of state owned corporations, important political party officials, etc.

B. Proof of Identity (POI): *-List of documents admissible as Proof of Identity:*

1. Unique Identification Number (UID)/ Passport/ Voter ID card/ Driving license.
2. PAN card with photograph.
3. Identity card issued by any of the following: Government and its Departments, Statutory/Regulatory Authorities, Public Sector Undertakings, Commercial Banks, Public Financial Institutions, Colleges affiliated to Universities, Professional Bodies such as TSL, NBAA to their Members; and Credit cards/Debit cards issued by Banks.

C. Proof of Address (POA): *- List of documents admissible as Proof of Address:(Note: Documents having an expiry date should be valid on the date of submission.)*

1. Passport/ Voters Identity Card/ Registered Lease or Sale Agreement of Residence/ Driving License/ Flat Maintenance bill/ Insurance Copy.
2. Utility bills like Telephone Bill (only land line), Electricity bill or Gas bill
- Not more than 3 months old.
3. Bank Account Statement/Passbook -- Not more than 3 months old.
4. Proof of address issued by any of the following: Bank Managers of a Commercial Banks/ Co-Operative society/Multinational Foreign Banks/Gazetted Officer/Notaries public/Elected representatives to the Legislative Assembly/Parliament/Documents issued by any Govt. or Statutory Authority.
5. Identity card/document with address, issued by any of the following: Central/State Government and its Departments, Statutory/Regulatory Authorities, Public Sector Undertakings, Commercial Banks, Public Financial Institutions, Colleges affiliated to Universities and Professional Bodies to their Members.
6. The proof of address in the name of the spouse may be accepted.

D. In case of Non-Individuals, additional documents to be obtained from non-individuals, over and above the POI and POA, as mentioned below:

Types of entity	Documentary requirements
Corporate	<ul style="list-style-type: none"> • Copy of the balance sheets for the last 2 financial years (to be submitted every year). • Copy of latest shareholding structure including list of all those holding control, either directly or indirectly, in the company duly certified by the company secretary/Whole time director/MD (to

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	<p>every year).</p>
Partnership firm	<ul style="list-style-type: none"> • be submitted Photograph, POI, POA, and TIN numbers of whole time directors/two directors in charge of day to day operations. • Photograph, POI, POA, PAN of individual promoters holding control - either directly or indirectly. • Copies of the Memorandum and Articles of Association and certificate of incorporation. • Copy of the Board Resolution for investment in commodity market. • Copy of Board Resolution or declaration (on the letterhead) naming the persons authorized to deal in commodity derivatives on behalf of company/firm/others and their specimen signatures. • Copy of the balance sheets for the last 2 financial years (to be submitted every year). • Certificate of registration (for registered partnership firms only). • Copy of partnership deed. • Authorized signatories list with specimen signatures. • Photograph, POI, POA, of Partners.
Trust	<ul style="list-style-type: none"> • Copy of the balance sheets for the last 2 financial years (to be submitted every year). • Certificate of registration (for registered trust only). • Copy of Trust deed. • List of trustees certified by managing trustees/CA • Photograph, POI, POA, PAN of Trustees.
Government Bodies	<ul style="list-style-type: none"> • Self-certification on letterhead. • Authorized signatories list with specimen signatures.
Registered Society	<ul style="list-style-type: none"> • Copy of Registration Certificate under Societies Registration Act. • List of Managing Committee members. • Committee resolution for persons authorized to act as authorized signatories with specimen signatures • True copy of Society Rules and Bye Laws certified by the Chairman/Secretary

EIGHTH SCHEDULE

(Under Regulation 32)

RISK DISCLOSURE DOCUMENT

The intermediary neither expressly or impliedly guarantee nor make any representation concerning the completeness, the adequacy or accuracy of this disclosure documents nor has the intermediary endorsed or passed any merits of commodities traded on the exchange. This brief statement does not disclose all of the risks and other significant aspects of trading. You should, therefore, study commodity trading carefully before becoming involved in it.

In the light of the risks involved, you should undertake transactions only if you understand the nature of the contractual relationship into which you are entering and the extent of your exposure to risk.

You must know and appreciate that investment in commodity contracts or other instruments traded on the Commodity Exchange(s), which have varying element of risk, is generally not an appropriate avenue for someone of limited resources/ limited investment and/ or trading experience and low risk tolerance. You should, therefore, carefully consider whether such trading is suitable for you in the light of your financial condition. The Client shall be solely responsible for the consequences and no contract can be rescinded on that account.

You must acknowledge and accept that –

- (a) there can be no guarantee of profits or no exception from losses while executing orders for purchase and/or sale of a commodity contracts being traded on a commodity exchange;
- (b) that your dealings on the Exchange through a member shall be subject to your fulfilling certain formalities set out by the member, which may, *inter alia*, include your filing the know your client form and are subject to Rules, Byelaws and Business Rules of the Exchange guidelines and circulars prescribed from time to time;
- (c) the intermediary provide advice to the client and shall not be liable to any person who enters into any business relationship with any third party based on advise by the intermediary;
- (d) No consideration to trade shall be made without thoroughly understanding and reviewing the risks involved in such trading. If you are unsure, you must seek further professional advice on the same.
- (e) In considering whether to trade, you should be aware of or must get acquainted with the following **basic Risks involved in the trading of Commodity Contracts and other Commodity Derivatives Instruments on the Exchange.**

(i) Risk of Higher Volatility

Volatility refers to the dynamic changes in price that commodity contracts undergo when trading activity continues on the Commodity Exchange. Generally, the higher the volatility of a commodity contract, the greater is its price swings. There may be normally greater volatility in thinly traded commodity contracts than in actively traded commodities contracts. As a result of volatility, your order may only be partially executed or not executed at all, or the price at which your order may be substantially different from the last traded price or change substantially thereafter, resulting in real losses.

(ii) Risk of Lower Liquidity

Liquidity refers to the ability of market participants to buy and/ or sell commodity contracts expeditiously at a competitive price and with minimal price difference. Generally, it is assumed that the more the number of orders available in a market, the greater is the liquidity. Liquidity is important because with greater liquidity, it is easier for investors to buy and/ or sell commodity contracts swiftly and with minimal price difference and as a result, investors are more likely to pay or receive a competitive price for commodity contracts purchased or sold. There may be a risk of lower liquidity in some commodity contracts as compared to active commodity derivative contracts. As a result, your order may only be partially executed, or may be executed with relatively greater price difference or may not be executed at all.

Buying/ Selling without intention of giving and/ or taking delivery of certain commodities may also result into losses, because in such a situation, commodity contracts may have to be squared-off at a low/ high prices, compared to the expected price levels, so as not to have any obligation to deliver/ receive such commodities.

(iii) Risk of Wider Spreads

Spread refers to the difference in best buy price and best sell price. It represents the differential between the price of buying a commodity contract and immediately selling it or *vice versa*. Lower liquidity and higher volatility may result in wider than normal spreads for less liquid or illiquid commodity contracts. This in turn will hamper better price formation.

(iv) Risk-reducing orders

Most of the Exchanges have a facility for investors to place “limit orders”, “stop loss orders” etc. Placing of such orders (e.g. “stop loss” orders or “limit” orders) which are intended to limit losses to certain amounts may not be effective many a time because rapid movement in market conditions may make it impossible to execute such orders.

A “market” order will be executed promptly, subject to availability of orders on opposite side, without regard to price and that while the customer may receive a prompt execution of a “market” order, the execution may be at available prices of outstanding orders, which satisfy the order quantity, on price time priority. It may be understood that these prices may be significantly different from the last traded price or the best price in that commodity contract.

A “limit” order will be executed only at the “limit” price specified for the order or a better price. However, while the client received price protection, there is a possibility that the order may not be executed at all.

A stop loss order is generally placed "away" from the current price of a commodity contract,

and such order gets activated if and when the contract reaches, or trades through, the stop price. Sell stop orders are entered ordinarily below the current price, and buy stop orders are entered ordinarily above the current price. When the contract approaches pre-determined price, or trades through such price, the stop loss order converts to a market/limit order and is executed at the limit or better. There is no assurance therefore that the limit order will be executable since a contract might penetrate the pre-determined price, in which case, the risk of such order not getting executed arises, just as with a regular limit order.

(v) Risk of News Announcements

Traders/Manufacturers make news announcements that may impact the price of the commodity contracts. These announcements may occur during trading and when combined with lower liquidity and higher volatility may suddenly cause an unexpected positive or negative movement in the price of the commodity contracts.

(vi) Risk of Rumours

Rumours about the price of a commodity at times float in the market through word of mouth, newspaper, websites or news agencies, etc., the investors should be wary of and should desist from acting on rumours.

(vii) System Risk

High volume trading will frequently occur at the market opening and before market close. Such high volumes may also occur at any point in the day. These may cause delays in order execution or confirmation.

During periods of volatility, on account of market participants continuously modifying their order quantity or prices or placing fresh orders, there may be delays in execution of order and its confirmation.

Under certain market conditions, it may be difficult or impossible to liquidate a position in the market at a reasonable price or at all, when there are no outstanding orders either on the buy side or the sell side, or if trading is halted in a commodity due to any action on account of unusual trading activity or price hitting higher side or for any other reason.

(viii) System/ Network Congestion

Trading on the Exchange is in electronic mode, based on satellite/ leased line communications, combination of technologies and computer systems to place and route orders. Thus, there exists a possibility of communication failure or system problems or slow or delayed response from system or trading halt, or any such other problem/glitch whereby not being able to establish access to the trading system/network, which may be beyond the control of and may result in delay in processing or not processing buy or sell orders either in part or in full. You are cautioned to note that although these problems may be temporary in nature, but when you have outstanding open positions or unexecuted orders, these represent a risk because of your obligations to settle all executed transactions.

- 2. As far as Commodity derivative market are concerned, please note and get yourself acquainted with the following additional features:-**

Effect of "Leverage" or "Gearing":

- (a) The amount of margin is small relative to the value of the commodity derivatives contract so the transactions are 'leveraged' or 'geared'. Commodity Derivatives trading, which is conducted with a relatively small amount of margin, provides the possibility of great profit or loss in comparison with the principal investment amount. But transactions in commodity derivatives carry a high degree of risk. You should therefore completely understand the following statements before actually trading in commodity derivatives contracts and also trade with caution while taking into account one's circumstances, financial resources, etc.
- (b) Trading in Commodity Derivatives involves daily settlement of all positions. Every day the open positions are marked to market based on the closing price. If the closing price has moved against you, you will be required to deposit the amount of loss (notional) resulting from such movement. This margin will have to be paid within a stipulated time frame, generally before commencement of trading on the next day.
- (c) If you fail to deposit the additional margin by the deadline or if an outstanding debt occurs in your account, the Exchange may liquidate/square-up a part of or the whole position. In this case, you will be liable for any losses incurred due to such square-up/ Close Outs.
- (d) Under certain market conditions, an Investor may find it difficult or impossible to execute the transactions. For example, this situation can occur due to factors such as illiquidity i.e. when there are insufficient bids or offers or suspension of trading due to price limit or circuit breakers etc.
- (e) Steps, such as, changes in the margin rate, increase in the cash margin rate etc. may be adopted in order to maintain market stability. These new measures may be applied to the existing open interests. In such conditions, you will be required to put up additional margins or reduce your positions.
- (f) You must ask your Member of the Exchange to provide the full details of the commodity derivatives contracts you plan to trade i.e. the contract specifications and the associated obligations.

3. TRADING THROUGH ELECTRONIC TECHNOLOGY OR ANY OTHER TECHNOLOGY:

Any additional provisions defining the features, risks, responsibilities, obligations and liabilities associated with commodities trading through wireless technology or any other technology should be brought to the notice of the client by the member.

4. General

Deposited cash and property:

You should familiarize yourself with the protections accorded to the money or other property you deposit particularly in the event of a firm become insolvent or bankrupt. The extent to which you may recover your money or property may be governed by specific legislation or local rules. In some jurisdictions, property, which has been specifically identifiable as your own, will be pro-rated in the same manner as cash for purposes of distribution in the event of a shortfall. In case of any dispute

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with the intermediary, the same shall be subject to determination of the Tribunal.

- ii. **Commission and other charges:**
Before you begin to trade, you should obtain a clear explanation of all commissions, fees and other charges for which you will be liable. These charges will affect your net profit (if any) or increase your loss.
- iii. The term 'Constituent' shall mean and include a Client, a Customer or an Investor, who deals with an intermediary member for the purpose of trading in the commodities on a commodity exchange.

NINTH SCHEDULE

(Under regulation 40(1)(a).)

FORM OF APPLICATION FOR APPROVAL OF A COMMODITY CONTRACT

<p>The submission of Form 1 shall be provisional. Formal application will only be deemed to be made when a contract relating to the commodity has been approved and published. All applications are subject to the Disclosure Standards ("the Standards").</p> <p>The form shall be submitted to the Chief Executive officer, capital Markets and Securities Authority 6th Floor, PPF Tower building, Ohio Street Garden Avenue. If you require assistance, please call+255 22 2114059/61</p>	
1. Application (date):	
2. Trading expected date :	
3. Name of Exchange on which the contract will be traded:	
<p>4. Application Declaration: (name of the exchange) hereby applies for the .....(name of the contract(s) to be approved) to be approved for trading on .....(name of the Exchange). The .....(name of the Exchange) hereby confirms that the application(s) complies with all relevant laws and regulations</p>	
<p>5. Type of the contract for which application is being made: (Example: spot commodity contract, futures contract etc.)</p>	
<p>6. Full description of commodity contract for which application is being made: (Example: symbol, contract size, deliverable grades, contract months, trading hours, last trading day, last delivery day, price quote, tick size, daily price limits etc)</p>	
<p>7. The terms and conditions of the commodity: (Example Refer to Note 1.0 below and provide a description of the Commodity characteristics (e.g grade, quality, weight class, growth, issuer, origin, maturity, service, rating, etc.)</p>	

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<p>8. Please attach the certification of the commodity exchange that the contract complies with the Commodity Exchange Act (CEA) and regulations thereunder including core principles.</p>																		
<p>9. The contract design and risk management needs of prospective users and evidence of the contract promoting price discovery of the underlying commodity.</p> <p>(Please attach a market research report on data and information to support the contract's terms and conditions as set by Exchange.)</p>																		
<p>10. Market user's views and opinions during the contract design process on the contract's terms and conditions.</p> <p>(Please attach a report of the consultation with market users reflecting the underlying cash market and performance of the intended risk management and/or price discovery functions.)</p>																		
<p>11. A declaration of the usefulness of the submitted contract.</p> <p>(Please attach a statement indicating that the applicant took such steps to ensure that the contract is or will be useful and explain how useful it will be)</p>																		
<p>12. Cash market description for physical and cash-settled contracts.</p> <p>(Please attach a description of local market relevant to the underlying commodity based on available data where possible.)</p>																		
<p>13. Data on the estimates of deliverable supply:</p> <p>(Please provide at least three full years of data on factors such as</p> <ul style="list-style-type: none"> (i) production, consumption, stocks, imports, exports, and prices or cash market variables; (ii) data necessary for accurate and cogent cash market analyses for the commodity or an underlying commodity depending on the nature of the contract); (iii) Conditions in the cash market for the commodity including conditions to avoid any impediments to the delivery of the commodity and promoting convergence between the price of the contract and the cash market value of the commodity at the expiration of a contract and the estimated deliverable supplies. <p>(Refer to Note 13 below this application form)</p>																		
<p>14. Monthly or daily prices:</p> <p>(Depending on the contract please provide details of the underlying the cash settlement index for the most recent three full calendar years and for as many of the current year's months for which data is available).</p>																		
<p>15. Index's methodology:</p> <p>(For contracts that are cash settled to an index, please provide information showing how the index is reflective of the underlying cash market and that it is not readily subject to manipulation or distortion, and is based on a cash price series that is reliable, acceptable, publicly available and timely.</p>																		
<p>16. Market to which admission is sought.</p> <p><i>By ticking this box you are confirming that you meet the criteria and requirements of the market to which you are applying.</i></p> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 5px;"> <tr> <td style="width: 30%; padding: 5px;">Spot Market</td> <td style="width: 10%; text-align: center; padding: 5px;"><input type="checkbox"/></td> <td style="width: 30%; padding: 5px;"></td> <td style="width: 10%; text-align: center; padding: 5px;"><input type="checkbox"/></td> <td style="width: 10%; padding: 5px;">Derivatives/Futures Market</td> <td style="width: 10%; text-align: center; padding: 5px;"><input type="checkbox"/></td> </tr> <tr> <td style="padding: 5px;"></td> <td style="padding: 5px;"></td> <td style="padding: 5px;">Other (specify)</td> <td style="text-align: center; padding: 5px;"><input type="checkbox"/></td> <td style="padding: 5px;"></td> <td style="padding: 5px;"></td> </tr> <tr> <td style="padding: 5px;"></td> <td style="padding: 5px;"></td> <td style="padding: 5px;"></td> <td style="padding: 5px;"></td> <td style="padding: 5px;"></td> <td style="padding: 5px;"></td> </tr> </table>	Spot Market	<input type="checkbox"/>		<input type="checkbox"/>	Derivatives/Futures Market	<input type="checkbox"/>			Other (specify)	<input type="checkbox"/>								
Spot Market	<input type="checkbox"/>		<input type="checkbox"/>	Derivatives/Futures Market	<input type="checkbox"/>													
		Other (specify)	<input type="checkbox"/>															

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17. Are the commodity contracts for which application is now made:				
a. identical in all respects with each other?*	YES:	<input type="checkbox"/>	NO:	<input type="checkbox"/>
b. identical in all respects with an existing commodity contract?*	YES:	<input type="checkbox"/>	NO:	<input type="checkbox"/>
c. freely transferable?*	YES:	<input type="checkbox"/>	NO:	<input type="checkbox"/>
* If you answered <i>NO</i> to questions 5(a) or 5(b) how do the securities differ and when will they become identical?				
** If you answered <i>NO</i> to question 5(c) please advise what restrictions there are on the transferability of the contract (e.g. specific law or regulatory). If the commodity contracts are subject to legal or regulatory restriction, please confirm the expected date on which the restriction period in relation to the contract would end.				
THIS SECTION ONLY REQUIRES COMPLETION IF THE APPLICATION IS FOR APPROVAL OF A NEW CONTRACT				
18.	Country of origin:			
19.	Home competent authority for approval:			
20.	If appropriate, has the "approval of the foreign regulator " been lodged with the CMSA? If so, please attach a copy.	YES:	<input type="checkbox"/>	NO: <input type="checkbox"/>
21.	Expected size of the supply of the commodity :			
22.	Expected market cap.:			
23.	Expected percentage of supply of the commodity post issue:			
24.	Preferred trading currency / currencies. If TZS shilling , please confirm unit of trading currency TZS (cents) TZS (shillings):			
NB: The Tanzanian trading currency generally requested for commodity exchanges markets is the Tanzanian Shillings (TZS).				
25.	ISIN Number/s if any:			
26.	Settlement:			
27.	Is the contract for which application is being made eligible for electronic settlement?	YES:	<input type="checkbox"/>	NO: <input type="checkbox"/>
b.	Default place of settlement (system):			
28.	Applicants details:			
a.	Website address:			
b.	Contact			

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	name:		
c.	Job title:		
d.	Telephone number:		
e.	Email address:		
29.	Lead Adviser:		
a.	Contact name:		
b.	Telephone Number:		
c.	Email address:		
30.	Sponsoring Broker:		
31.	Confirmed Market Makers:		
32.	Address at which admission document will be available:		
33.	Date available:		
<i>NB: this must be no later than the first day of trading</i>			
Trading Service:			
34.	Please select one of the following options:-		
a.	Order Driven	YES:	<input type="checkbox"/>
b.	Quote Driven	YES:	<input type="checkbox"/>
c.	No Preference	YES:	<input type="checkbox"/>
Declaration			
We have read and acknowledge our obligations under the law. Accordingly we declare that:			
(a)	all the conditions for trading of the commodity contracts which are required to be fulfilled prior to application have been fulfilled in relation to contracts approval of which is being made;		

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Notes:

For the purpose of the description of terms and condition in paragraph 7 of the application form, the following shall be taken into consideration:

(b)	all the documents and information required to be included in the application have been or will be supplied in accordance with the law and all other requirements in respect of the application have been or will be complied with;		
(c)	we shall pay applicable approval and annual fees, as they fall due; and		
(d)	the information provided is in all respects accurate, complete and not misleading.		
We undertake to comply with the Standards as published by the London Stock Exchange from time to time.			
Signed by a duly authorized officer (e.g. Director) for and on behalf of:			
Signed: Name			
Job Title:		Date:	
<i>Please ensure that all sections where applicable on this form have been completed. Failure to do so may cause delays in approval.</i>			

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1.0 Terms and conditions for settlement by physical delivery

For contracts relating to the physical delivery of commodities, an acceptable specification of contract terms and conditions shall include, but may not be limited to, the following criteria and associated standards:

- (a) *Quality Standards describing or defining-*
 - (i) *all of the economically significant characteristics or attributes of the commodity underlying the contract and reflecting standards used in transactions in the commodity in normal marketing channels;*
 - (ii) *the quality standards of the contract's underlying commodity complying with those accepted/established by the industry, by government regulations or by relevant laws;*
 - (iii) *the specific attributes depending upon the individual characteristics of the commodity including grade, quality, purity, weight, class, origin, growth, issuer, originator, maturity window, coupon rate, source, hours of trading;*
 - (iv) *for the terms of the contract for the delivery of multiple qualities of a specific attribute of the commodity having different market values, a "par" quality shall be specified with price differentials applicable to the "non-par" qualities that reflect discounts or premiums commonly observed or expected to occur in the cash market for that commodity;*
- (b) *Delivery Points and Facilities at a single location or at multiple locations where the commodity is normally transacted, stored or where a viable market exists; and where the multiple delivery points are specified and the value of the commodity differs between these locations, the contract terms shall include price differentials reflecting usual differences in value between the different delivery locations and if the price relationships among the delivery points are unstable and a fixed locational price differentials is adopted, such differentials shall fall within the range of commonly observed or expected commercial price differences which shall be supported with cash price data for the delivery location(s).*
- (c) *The conditions of the delivery facilities or delivery facility operators including the following:*
 - (i) *requirements of the delivery facilities,*
 - (ii) *the extent to which ownership of such facilities is concentrated and whether the level of concentration would be susceptible to manipulation of the contract's prices,*
 - (iii) *appropriately detailed delivery procedures that describe the responsibilities of deliverers, receivers and any required third parties in carrying out the delivery process;*
 - (iv) *responsibilities or allocation between buyer and seller of all associated costs such as load-out, document preparation, sampling, grading, weighing, storage, taxes, duties, fees, drayage, stevedoring, demurrage, dispatch,.*
 - (v) *required accreditation for third-parties and procedures to minimize or eliminate any impediments to making or taking delivery by both deliverers and takers of delivery to help ensure convergence of cash and commodities at the expiration of a delivery date.*
- (d) *Delivery period and last trading day specification allowing for sufficient time for deliverers to acquire the deliverable commodity and make it available for delivery, considering any restrictions or requirements imposed by the Exchange as well as*

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specification of the last trading day for expiring contracts which shall consider whether adequate time remains after the last trading day to allow for delivery on the contract

- (e) *Contract Size and Trading Unit specifying the following:*
 - (i) *the delivery unit, trading unit or a contract size that is consistent with customary transactions, transportation or storage amounts in the cash market (e.g., the contract size may be reflective of the amount of the commodity that represents a pipeline, truckload or railcar shipment and for purposes of increasing market liquidity, the Exchange may elect to specify a contract size that is smaller than the typical commercial transaction size, storage unit or transportation size;*
 - (ii) *Delivery Pack indicating packaging standards or how the commodity may be delivered in burlap or polyethylene bags stacked on wooden pallets or non-quality related standards regarding the composition of commodity within a delivery unit such as the requirement that the commodity shall be imported from the same country or origin reflecting, to the extent possible, specifications commonly applied to the commodity traded or transacted in the cash market.*
- (f) *Delivery Instrument indicating an acceptable specification of the delivery instrument such as warehouse receipt, depository certificate or receipt, shipping certificate, bill of lading, in-line transfer, book transfer of securities, that provides for its conversion into the cash commodity at a commercially-reasonable cost, transportation terms such as FOB, CIF, freight prepaid to destination as well as any limits on storage or certificate daily premium fees reflecting cash market practices and the customary provision for allocating delivery costs between buyer and seller.*
- (g) *Delivery (Trading) period established based on the risk management needs of commercial entities as well as the availability of deliverable supplies in the specified period;*
- (h) *Minimum Price Fluctuation (Minimum Tick) indicating the minimum price increment (tick) set at a level that is equal to, or less than, the minimum price increment commonly observed in cash market transactions for the underlying commodity.*
- (i) *Maximum Price Fluctuation Limits to*
 - (i) *reduce or constrain price movements in a trading day that may not be reflective of true market conditions but might be caused by traders overreacting to news;*
 - (ii) *allow additional time for the collection of margins in times of large price movements; and*
 - (iii) *Provide a "cooling-off" period for market participants to respond to bona fide changes in market supply and demand fundamentals that would lead to large cash and price changes by setting limits at levels that are not overly restrictive in relation to price movements in the cash market for the commodity underlying contract.*
- (j) *Speculative Limits (if any) which is a specific information regarding the establishment of speculative position limits;*
- (k) *Reportable Levels (if any)*
- (l) *Trading Hours set by the Exchange to delineate each trading day.*

2.0 Terms and conditions for settlement by Cash

- 2.1 *Cash settlement is a method of settling certain contracts whereby, at contract expiration, the contract is settled by cash payment in lieu of physical delivery of the commodity or instrument underlying the contract.*
- 2.2 *An acceptable specification of the cash settlement price for commodity*

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contracts shall include the description of the essential economic characteristics of the commodity such as the grade, quality, weight, class, growth, issuer, maturity, source, rating, description of the underlying index and index's calculation methodology, as well as how the final settlement price is calculated.

- 2.3 Cash settled contracts are susceptible to manipulation or price distortion and therefore in evaluating the susceptibility of a cash-settled contract to manipulation, consideration shall be had in the size and liquidity of the cash market that underlies the listed contract in a manner that follows the determination of deliverable supply particularly the situations susceptible to manipulation including those in which the volume of cash market transactions or the number of participants contacted in determining the cash-settlement price are very low.
- 2.4 Careful consideration shall be given to the potential for manipulation or distortion of the cash settlement price, as well as the reliability of that price as an indicator of cash market values as well as the commercial acceptability, public availability, and timeliness of the price series that is used to calculate the cash settlement price and therefore documentation demonstrating that the settlement price index is a reliable indicator of market values and conditions and is commonly used as a reference index by industry/market agents shall be provided.
- 2.5 Where a cash settlement price series is generated, the calculation procedures shall be established safeguarding against potential attempts to artificially influence the price taking into consideration the following-
- (a) where the cash settlement price is derived based on a survey of cash market sources, a list of such entities with knowledge of the cash market;
 - (b) the sample of sources polled as representative of the cash market, and
 - (c) the poll conducted at a time when trading in the cash market is active.
 - (d) computational procedures that eliminate or reduce the impact of potentially unrepresentative data;
 - (e) cash price series that are publicly available and available on a timely basis for purposes of calculating the cash settlement price at the expiration of a commodity contract
 - (f) any other supporting or appropriate information.

3.0 For the purpose of description of delivery supply in paragraph 13, the following shall be taken into consideration:

The term "deliverable supply" means the quantity of the commodity meeting the contract's delivery specifications that are reasonably expected to be readily available to traders at the market value in normal cash marketing channels at the contract's delivery points during the specified delivery period, in the absence of abnormal movement in commerce and shall include the following circumstances:

- (a) a reflection of the quantity of the commodity that is potentially made available for sale on a spot basis at current prices at the contract's delivery points.
- (b) for a physical-delivery commodity contract, the estimate shall represent a commodity which is in storage at the delivery point(s) specified in the contract or can be moved economically into or through such points consistent with the delivery procedures set forth in the contract and which is available for sale on a spot basis within the marketing channels that are normally branches to the delivery point(s).

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An estimate of deliverable supply shall not include supply that is committed for long-term agreements or the amount of deliverable supply that would not be available to fulfill the delivery obligations arising from current trading.

The size of commodity supplies that are committed to long-term agreements may be estimated by consulting with market participants.

Where the estimated deliverable supply that is committed for long-term agreements, or significant portion thereof, is demonstrated to be consistently and regularly made available to the spot market for purchasers to acquire at prevailing economic values, then those "available" supplies committed for long-term contracts may be included in the designated contract market's estimate of deliverable supply for that commodity.

An adequate measure of deliverable supply shall be an amount of the commodity that would meet the normal or expected range of delivery demand without causing prices to become distorted.

Given the availability of acceptable data, deliverable supply shall as a minimum, be estimated on a monthly basis for the most recent three years for which data is available.

To the extent possible and where data resources permit, deliverable supply estimates shall be constructed such that the data reflects, as closely as possible; the market defined by the contract's terms and conditions, and shall be formulated, whenever possible, with government or publicly available data.

All deliverable supply estimates shall be fully defined, have all underlying assumptions explicitly stated, and have documentation of all data/information sources in order to permit estimate replication by the Authority.

To assure the availability of adequate deliverable supplies and acceptable levels of commercial risk management utility, contract terms and conditions shall account for variations in the patterns of production, consumption and supply over a period of three years of sufficient length to assess adequately the potential range of deliverable supplies.

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TENTH SCHEDULE

(Under Regulation 40(2))

Commodity contract Specifications

1. Underlying commodity description	Example: <ul style="list-style-type: none">• beans type• where produced;• flavor, odors, moisture content;• grade• maximum packages;• storage conditions• one contract components.
2. Price quotation	TZS per net kilograms (one bag)
3. Minimum daily price fluctuation	TZS per net kilograms.
4. Contract size	<ul style="list-style-type: none">• No of bags,• Unit measurements per each bag.
5. Physical delivery and cash settlement	Settlement: <ul style="list-style-type: none">• For the buyer;• For or the seller, on the third business day following the trading day. Physical delivery: <ul style="list-style-type: none">• Time for the seller to tenders the necessary documents;• Time for transfer of the commodity to the buyer.
6. Cash settlement of day trading (item 10) and daily settlement of accounts (item 11)	Specify the business day following the trading day.
7. Delivery point	Specify the exact place of delivery.
8. Storage locations	Specify the warehouses location.
9. Grading certificate and arbitration	Example: Grading will be requested by the customer (seller) through a licensed warehouse by means of the form adopted by the Exchange. The form must discriminate the number of lots and

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	<p>respective bags.</p> <p>The warehouse operator will file each grading request and render this service by chronological order of reception.</p> <p>The grading certificate will be issued in five business days after receiving the samples, provided they are delivered up to five business days prior to the trading day.</p> <p>One of the samples of each lot, which must be sealed, will be delivered to the customer (buyer) for quality testing and the others will remain with the warehouse for possible arbitration.</p> <p>The number of samples will be determined by the Exchange</p>
<p>10. Day trading</p>	<p>Example:</p> <ul style="list-style-type: none"> • Long and short positions • Gains and losses from transactions • Settlement procedure; • Settlement date
<p>11. Daily settlement of accounts</p>	<ul style="list-style-type: none"> • The invoice; • settlement price determination; • Determination of the differences between the last price and the price traded during a trading session; • Other adjustments.
<p>12. Settlement conditions:</p>	<p>specify</p>
<p>13. Delivery procedures</p>	<ul style="list-style-type: none"> • time the seller must tender documents : • documentation: <ul style="list-style-type: none"> - the grading certificates issuance by the warehouse operator; - a packing list of each lot issued by the warehouse operator; - a declaration, issued by the warehouse operator, containing: <ul style="list-style-type: none"> (i) ownership; (ii) any debts whatsoever, including tax and endorsement debts, surety, etc.; (iii) new and perfectly conserved bags; (iv) payment of storage and usual insurance expenses ; • a provisional delivery order issued by the warehouse operator; • consequences of the seller not tendering these

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	<p>documents within the stipulated time, e.g.a fine for default, to be established by the Exchange, in accordance with the provisions of its Rules and Bylaws.</p> <ul style="list-style-type: none"> • Time for the buyer to submit an invoice to the warehouse operator the trading day. • Appointment of agents for delivery .
<p>14. Deliverable grades and standards</p>	<ol style="list-style-type: none"> 1. The grade type. 2. Specification of affected or damaged commodity; 3. Maximum moisture and mud, or tasting strangely and wormy or bored beans; 4. Deliverable lots. Example : <ul style="list-style-type: none"> • The pouring out of screen 15 is limited to 30% and the pouring out of screen 13 is limited to 10%. • Lots containing flat berries can be composed of maximum 10% pea berries and lots containing pea berries can be composed of maximum 10% flat berries; • screens shall not be considered for lots composed of pea berries; • to form a lot, the coffee must be evenly colored green or greenish, which is the color of the current or former crop. Light-colored or spotted coffee will not be acceptable for delivery; • An even variation in color shall be permitted, given the time lag between the grading certificate issuance date and the delivery date; • lots damaged from poor storage conditions cannot be delivered; • a maximum of 100 60-net kilogram bags, plus or minus 1%, can be delivered per contract, stored in only one warehouse. • A lot or part of it cannot be transferred from one warehouse to another. Otherwise, the grading certificate shall be cancelled. • When necessary, the Warehouse operator shall examine the bags and the coffee that compose the lots stored in licensed warehouses. If the lots are out of specification, they will have their grading certificates cancelled. • A small hole, made by a thin pick, is admitted in each bag to withdraw the coffee samples, for grading, arbitration and/or verification of lot conformity purposes. • The seller must send the samples to Warehouse, as well as request grading and/or arbitration, through his warehouse. • Partial or total repacking shall be allowed if there are

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	<p>holes in the bags causing the coffee of a lot already graded to pour out. In such a case, the warehouse operator and the seller shall be informed by the warehouse, which shall repack the coffee within ten days. Repacking shall be under the seller's responsibility. If the Warehouse operator is not informed by the the seller of the pouring out of coffee, the lot will be disqualified.</p>
<p>15. Physical delivery settlement value</p>	<p>Example:</p> <ul style="list-style-type: none"> • It will be calculated by the settlement price per bag of the trading day times the number of bags . Discounts for time lags as of the grading certificate issuance date and for freight costs, if any, shall be deducted. The value thus obtained shall be divided by 60.50 kilograms times the gross weight of the lots delivered. • The settlement value can also be calculated according to the following formula: $VL = C \cdot (1 - D1/100 - D2/60,50) \cdot P$ <p>VL = the cash settlement value per contract; C = the settlement price; D1 = the discount for time lags as of the grading certificate issuance date; D2 = the discount for freight costs; P = the gross weight of the lots delivered per contract.</p> • The weight, plus or minus 1%, will be verified by the warehouse where the coffee is stored. The buyer can request the coffee to be weighed at the moment of taking delivery. If the resulting weight is different from that verified by the warehouse, the invoice value shall be properly adjusted. Weighing expenses are on the buyer. • The value added tax if due, shall be added to the invoice value, by observing current legislation. • Levy on agricultural and farming due on the transactions where the seller is a farmer shall be included in the invoice value, therefore composing the basic price of the commodity. In such a case, the warehouse will deduct from the price due to the seller or replacing customer, on the settlement date, the amount equivalent to that tax, which must

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	<p>be paid by the buyer.</p> <ul style="list-style-type: none"> • Discounts for time lags as of the grading certificate issuance date shall be of 1% every 30 days. The first discount shall fall upon the 91st day of the grading certificate issuance date. • Freight cost discounts shall be periodically published by the warehouse operators.
<p>16. Cash settlement</p>	<p>Example</p> <ul style="list-style-type: none"> • Cash settlement will be made by the buyer on the business day following the trading day. • The buyer will receive the cash settlement value, including weight, freight and time lag discounts, on the third day following the trading day, provided his documents have been approved by the Exchange. If the Exchange does not approve his documents on that day, he or she shall be considered at default. • The money paid by the buyer will be credited by the paying bank to the account of the seller. Payment will be made without a premium when type is above six.
<p>17. Arbitration</p>	<p>Example:</p> <ul style="list-style-type: none"> • The buyer may examine the coffee for conformity with storage conditions. If he does not agree with such conditions, he shall, at or until 9:00 am of the second day following the trading day, request the Warehouse operator and the Exchange to verify them. • If the nonconformity alleged by the buyer is confirmed, the seller and the warehouse operator shall be obliged to replace the lot(s) within two business days. In this case, the Exchange shall instruct the paying bank to withhold transfer of money until the coffee is finally accepted by the buyer in which case the Exchange shall accordingly instruct the paying bank to effect the transfer of funds. • When the buyer requests for verification of a lot's accuracy, he shall pay the expenses, which shall include the Exchange representative trip and lodgings plus 1% of the value of a lot verified, calculated on the spot price traded on the floor, plus 0.5% for the verification of a second lot plus 0.3% for the verification of any of the subsequent lots. These costs shall be charged to the party at fault. • If the buyer and the seller agree upon a discount for differentials, such an agreement shall be registered with the warehouse operator for settlement purposes.

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18. Trading costs	<ol style="list-style-type: none"> 1. Basic commission rate. Example: Regular trading: 0.50%; day trading: 0.10%. The basic commission rate is applied to the trading value and is subject to a minimum value established by the Exchange. 2. Exchange fee. Example: 6.32% of the basic commission rate. 3. Grading and arbitration fee. 4. Example: <ul style="list-style-type: none"> • This fee must be paid when grading and arbitration are requested. • Trading costs are due on the business day following the trading day. • Common members will pay 75%, at most, of the basic commission rate and 75% of the Exchange fee.
19. Warehouse operator's guarantee system	<p>Example: The features of warehouse financial safeguards and guarantee system are detailed in the Warehouse Receipts Systems regulations, 2015 which requires the warehouse operator to have an insurance cover that are an integral part of their licensing requirements.</p>
20. Miscellaneous	<p>Example: This contract is subject to the legislation in force in Tanzania and procedures defined in the Commodity Exchanges, Act, the commodity Exchanges Regulations 2015, the rules of the TMX and other legislation that are connected to the commodities market.</p>

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ELEVENTH SCHEDULE

(Under Regulation 42(2))

REGISTER OF COMMODITY CONTRACT

Contract Name	Symbol	Months	Tick Size	Quoted Units	Trading Unit

Dar es Salaam,
20th April, 2016

NASAMA M. MASSINDA,
Chief Executive Officer