

THE FORWARD CONTRACTS (REGULATION)  
AMENDMENT ACT, 1971

No. 53 OF 1971

[11th December, 1971]

An Act further to amend the Forward Contracts (Regulation) Act,  
1952.

BE it enacted by Parliament in the Twenty-second Year of the Republic  
of India as follows:—

Short  
title and  
com-  
mence-  
ment.

1. (1) This Act may be called the Forward Contracts (Regulation)  
Amendment Act, 1971.

(2) It shall be deemed to have come into force on the 11th day of  
October, 1971.

Amend-  
ment of  
section 2.

2. In section 2 of the Forward Contracts (Regulation) Act, 1952 (here-  
inafter referred to as the principal Act),—

74 of 1952

(a) in clause (c), the words "at a future date" shall be omitted;

(b) to clause (i), the following proviso and *Explanation* shall be  
added, namely:—

'Provided that where any such contract is performed either  
wholly or in part,—

(1) by tendering of the documents of title to the goods  
covered by the contract by any party thereto (not being a  
commission agent or a bank) who has acquired ownership  
of the said documents by purchase, exchange or otherwise,  
to any other person (including a commission agent but not  
including a bank); or

(2) by the realisation of any sum of money, being the  
difference between the contract rate and the settlement rate  
or clearing rate or the rate of any offsetting contract; or

(3) by any other means whatsoever,

and as a result of which the actual tendering of the goods  
covered by the contract or the payment of the full price therefor  
is dispensed with, then, such contract shall not be deemed to  
be a ready delivery contract.

Explanation.—For the purposes of this clause,—

10 of 1949.  
2 of 1934.

(i) "bank" includes any banking company as defined in the Banking Regulation Act, 1949, a co-operative bank as defined in the Reserve Bank of India Act, 1934, the State Bank of India and any of its subsidiaries and any corresponding new bank constituted under section 3 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970;

5 of 1970.

(ii) "commission agent" means a person who, in the ordinary course of business, makes contract for the sale or purchase of goods for others for a remuneration (whether known as commission or otherwise) which is determined in the contract itself or determinable from the terms of the contract, in either case, only with reference to the quantity of goods or to the price therefor as stipulated in the contract."

11 of 1971

3. (1) The Forward Contracts (Regulation) Amendment Ordinance, 1971 is hereby repealed.

Repeal and saving.

(2) Notwithstanding such repeal, anything done or any action taken under the principal Act, as amended by the said Ordinance, shall be deemed to have been done or taken under the principal Act as amended by this Act.