

M.VI-16/35/2026-Mines VI
Government of India
Ministry of Mines

GPOA-3, Netaji Nagar, New Delhi.
Dated 19.03.2026

NOTICE FOR PUBLIC CONSULTATION

Subject: Draft Mineral Exchange Rules, 2026 - reg.

The Mines and Minerals (Development and Regulation) Act, 1957 (the Act) was amended vide MMDR Amendment Act, 2025, with effect from the 1st September, 2025. Through the said amendment, Section 18B was inserted in the Act which provides that the Central Government shall endeavour to promote development of market, including trading, of minerals, its concentrate or its processed forms (including metals) through mineral exchanges in such manner as may be prescribed by the Central Government.

2. Section 18B(2) of the Act empowers the Central Government to appoint any authority to register and regulate mineral exchanges. Accordingly, this Ministry has appointed the Indian Bureau of Mines as the authority to register and regulate mineral exchanges, for minerals other than those specified in Part A (coal and lignite) and Part B (atomic minerals) of the First Schedule to the Act as the authority under section 18B(2) of the Act.

3. Further, in accordance with the said provision of the Act, the Ministry has prepared a draft Mineral Exchange Rules, 2026 in respect of minerals other than those specified in Part A (coal and lignite) and Part B (atomic minerals) of the First Schedule to the Act. The draft rule is enclosed herewith as Enclosure for comments/ suggestions from the general public, Governments of States and Union Territories, mining industry stake-holders, industry associations, and other persons and entities concerned.

4. In view of the above, it is requested that comments/ suggestions may be sent on or before **18.04.2026**.

5. The comments/suggestions may be sent by e-mail in MS-Office Word file to the following ID:

jspolicy-mines@gov.in

6. The subject of the e-mail should be "Draft Mineral Exchange Rules, 2026".

7. Alternatively, comments/suggestions may also be sent by post to the following address:

Shri Mustaq Ahmad, Director
Ministry of Mines
Room No 4415,
GPOA-3, Netaji Nagar,
New Delhi.

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8. The envelope may kindly be superscribed on the top with "Draft Mineral Exchange Rules, 2026".

Encl.: As above.



(Mustaq Ahmad)
Director

Draft for consultation

MINERAL EXCHANGE (REGULATION) RULES, 2026

**TO BE PUBLISHED IN THE GAZETTE OF INDIA, EXTRAORDINARY, PART II,
SECTION 3, SUB-SECTION (i)]**

**GOVERNMENT OF INDIA
MINISTRY OF MINES**

NOTIFICATION

New Delhi, the ...March, 2026.

G.S.R.... (E). — In exercise of the powers conferred by section 18B of the Mines and Minerals (Development & Regulations) Act, 1957 (67 of 1957), the Central Government hereby makes the following rules, namely: —

CHAPTER I

PRELIMINARY

1. Short title and commencement. —

- (1) These rules may be called the Mineral Exchange Rules, 2026.
- (2) These rules shall come into force on the date of their publication in the Official Gazette as notified by the Central Government.

2. Definitions. —

- (1) In these rules, unless the context otherwise requires, —
 - (a) “Act” means the Mines and Minerals (Development & Regulations) Act, 1957 (67 of 1957);
 - (b) “assaying agency” means any third-party agency empanelled or recognized by the exchange for collection, preparation, testing, analysis and documentation of commodity samples;
 - (c) “Authority” means the Indian Bureau of Mines;
 - (d) “automated audit trail” means automated creation and preservation of a time-sequenced record of transactions, including creation, modification or deletion, in the electronic trading system of a mineral exchange, for reference at later date or time;

- (e) "bid" means the electronic document by which a member of a mineral exchange submits the price, quantity, quality or any other specification in relation to a contract, for which it seeks to make a transaction;
- (f) "bid type" means the category of bids distinguished by specifications applicable in relation to each contract to be transacted on a mineral exchange;
- (g) "board" means the board of directors of a mineral exchange.
- (h) "bye-laws" means the provisions relating to the basic framework formulated by a mineral exchange for the purposes of the management and trading at a mineral exchange, which are duly approved by the authority;
- (i) "cartelization" means an act by market participants, whereby they limit or control or attempt to limit or control storage, transportation, distribution, marketing, sale, price, trade or transaction in commodity;
- (j) "client" means an entity that has entered into an agreement with a member of a mineral exchange for the purpose of dealing through such member;
- (k) "circular trading" means trading and transactions by a member or group of members, whereby, one or more entities of such member or group enter buy bids and on the other side, one or more entities of the same member or group enter sell bids or *vice versa*, with the intent to manipulate the price of commodity or to create an artificial market or to defraud or misuse the system;
- (l) "clearing" means the process of determination of obligations of members of a mineral exchange resulting from the conclusion of a transaction at a mineral exchange;
- (m) "commodity" shall mean all the minerals, its concentrate or its processed forms (including metals), other than those specified in Part A and Part B of the First Schedule to the Act;
- (n) "company" means a company as defined in clause (20) of section 2 of the Companies Act, 2013 (18 of 2013);
- (o) "contract" means any delivery-based contract approved by the authority and is available for transaction at a mineral exchange;
- (p) "contractual deviation" means any departure from the terms, conditions, specifications or obligations agreed upon in a contract;
- (q) "Director" means a director as defined in clause (34) of section 2 of the Companies Act, 2013 (18 of 2013);
- (r) "Form" means form appended to these rules;

- (s) “independent director” means a director as defined in clause (47) of section 2 of the Companies Act, 2013 (18 of 2013);
- (t) “insider” means a person,—
 - (i) who is, or has been, during the six months prior to the concerned event, associated with the mineral exchange, directly or indirectly, in any capacity, including by reason of frequent communication with its officers or by being in any contractual, fiduciary or employment relationship or by being a director, officer or an employee of the mineral exchange or by holding any position, whether temporary or permanent, including a professional or business relationship with the mineral exchange, that allows such person, directly or indirectly, access to unpublished price-sensitive information relating to transactions on a mineral exchange; or
 - (ii) who is in possession of, or has access to, unpublished price-sensitive information about transactions on a mineral exchange; or
 - (iii) who has acquired unpublished price-sensitive information by commission of an offence under any of the laws for the time being in the country;
- (u) “insider trading” means,—
 - (i) communicating, providing, or allowing access to any unpublished price sensitive information, to any person, including other insiders, except where such communication is in furtherance of legitimate purposes, performance of duties or discharge of any legal obligations; or
 - (ii) recommending any person, on the basis of unpublished price sensitive information, to acquire or dispose of any contract on the mineral exchange, to which that information relates;
- (v) “managing director” means a director as defined in clause (54) of section 2 of the Companies Act, 2013 (18 of 2013);
- (w) “market” means a platform where buyers and sellers buy or sell commodity through the mineral exchange;
- (x) “market manipulation” means,—
 - (i) entering into any transaction on the mineral exchange by any market participant, which—
 - (A) gives, or is likely to give, false or misleading signals as to the supply of, demand for, or price of any of the contracts;

- (B) secures or attempts to secure, by any member of the mineral exchange or client, a relatively higher sale price while curtailing supply to other beneficiaries entitled to receive the same commodity;
 - (ii) disseminating any information through the media which gives, or is likely to give, false or misleading signals as to the supply of, demand for, or price of any contracts;
- (y) “market participants” include—
 - (i) mineral exchange;
 - (ii) members of mineral exchange;
 - (iii) clients;
 - (iv) assaying agencies;
 - (v) any other party transacting at the mineral exchange; and
 - (vi) any other entity, as may be notified by the authority;
- (z) “member” means a person who has been granted trading right or clearing right or both the rights by the mineral exchange in accordance with these rules, bye-laws and business rules of the mineral exchange;
- (aa) “net worth” means the net worth as defined in clause (57) of section 2 of the Companies Act, 2013 (18 of 2013);
- (bb) “persons acting in concert” shall have the same meaning as assigned to it in clause (q) of sub-regulation (1) of regulation 2 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (cc) “Schedule” means the Schedule to these rules;
- (dd) “settlement” means the process of discharging the obligations of members or clients of such members resulting from conclusion of a transaction at a mineral exchange;
- (ee) “settlement guarantee fund ” means a fund created and maintained by mineral exchange, to be used for settlement of defaults of its members or clients of such members, as stipulated in the default-remedy mechanism of mineral exchange and comprising of funds as may be determined by the mineral exchange with prior approval of the authority;
- (ff) “shareholder director” means a director of the mineral exchange who represents the interests of shareholders and is elected or nominated by such shareholders;
- (gg) “transaction fee” means the fee payable by members for transactions on a mineral

exchange;

- (hh) "unpublished price sensitive information" means any information relating to contract transacted on the mineral exchange that is not generally available and which, upon becoming generally available, is likely to materially affect the price of such contract and shall ordinarily include, but not restricted to, information relating to the contract approved by the authority.

(2) The words and expressions used in these rules and not defined but defined herein shall have the same meaning as assigned to them in the Act or rules made thereunder or the Securities Contracts (Regulation) Act, 1956 or the rules made thereunder.

3. Application.— (1) These rules shall apply to—

- (a) mineral exchanges;
- (b) all market participants including members, clients, or assaying agencies;
- (c) delivery-based contracts in relation to the commodity, as approved by the authority.

(2) These rules shall not apply to securities, contracts, commodity derivatives or such other instruments regulated by the Securities and Exchange Board of India established under the Securities and Exchange Board of India Act, 1992 (15 of 1992).

CHAPTER II

MINERAL EXCHANGE

4. Objectives of mineral exchange. — The mineral exchange shall be established and operated with the following objectives, namely:—

- (a) to design commodity supply contracts and facilitate transactions of such contracts;
- (b) to ensure fair, transparent, neutral, efficient and robust price discovery and dissemination; and
- (c) to ensure efficient and timely supply of commodity in accordance with the terms of the contract.

5. Functions of mineral exchange. — A registered mineral exchange shall perform all or any of the functions, namely: —

- (a) make bye-laws in accordance with the procedure laid down hereunder, for

- performing such functions, as specified herein;
- (b) regulate trading operations in mineral commodities and provide a transparent and efficient platform for price discovery;
 - (c) establish procedures for admission, suspension, or expulsion of members;
 - (d) specify standards for mineral grading, sampling, assaying, weighing, and delivery;
 - (e) determine settlement and clearing procedures, including margins, delivery obligations, and default handling;
 - (f) maintain records and returns by members to ensure transparency;
 - (g) maintain a centralised database of mineral production, grades, volumes, trades and participants;
 - (h) ensure that all trades are reported to the relevant regulatory bodies for compliance and surveillance purposes;
 - (i) establish dispute resolution mechanisms between members, clients, and other stakeholders;
 - (j) specify the provisions related to trading time, trading days, trading sessions, holiday calendar, and the like;
 - (k) prescribe fees, charges, and penalties for contraventions of the bye-laws or exchange rules;
 - (l) promotion of fair-trade practices and prevention of fraudulent, manipulative or unfair trade practices or price manipulation or market abuse and take disciplinary action where required;
 - (m) conduct research, surveys and market studies and publish reports, bulletins and analytical insights.
 - (n) prevention of cartelization, insider trading, circular trading, market manipulation and any other matter which is detrimental to the participants of the mineral exchanges;
 - (o) follow, implement and ensure proper administration and enforcement of these rules and any by-laws or directions issued under them.
 - (p) ensure that all clients hold a valid registration issued by the Indian Bureau of Mines under rule 45 of the Mineral Conservation and Development Rules, 2017; such other functions as may be incidental or ancillary for

fulfilling the purpose of the mineral exchange in accordance with these rules or any other bye-laws made thereunder and any additional functions as may be specified by the authority.

6. Eligibility for registration of mineral exchange. —The applicant for establishing a mineral exchange shall fulfil the following eligibility criteria at the time of making application for registration of mineral exchange, namely:—

(a) the applicant is a company limited by shares incorporated or deemed to be incorporated under the provisions of the Companies Act, 2013 (18 of 2013).

(b) the applicant is demutualised;

Explanation.— For the purposes of this sub-rule, the term "demutualised" means that the ownership and management of the applicant is segregated from the trading rights, in terms of these rules;

(c) the applicant has such minimum net worth as specified in rule 11 as per the audited special balance sheet as on any date falling within 30 days immediately preceding the date of filing the application for grant of registration;

(d) the directors of the applicant satisfy the requirements relating to qualifications and are not disqualified for appointments on the board of directors under rule 15; and

(e) the applicant satisfies the requirements relating to the ownership as specified in rule 12 and governance structure as specified in rule 14.

7. Application and documents to be submitted for registration. — (1) The applicant may prefer an application for registration as mineral exchange in the format specified in the Form to the authority.

(2) The applicant shall pay a one-time, non-refundable application fee as specified in the Schedule and shall submit the following documents along with its application, namely:—

(a) Memorandum and Articles of Association of the company;

(b) the audited special balance sheet as on any date falling within thirty days immediately preceding the date of filing the application for grant of registration, showing the net worth of the applicant;

(c) copies of the annual report or audited accounts of the applicant for the last three years or such lesser period during which the applicant may have been incorporated;

- (d) project report containing the following details, namely:—
 - (i) the constitution of the proposed mineral exchange;
 - (ii) the business plan, including funding sources, of the proposed mineral exchange;
 - (iii) management and administrative structure of the proposed mineral exchange;
 - (iv) infrastructural facilities available or proposed to be acquired by the mineral exchange;
 - (v) timeline of development, setting up and operationalization of the mineral exchange;
- (e) draft bye-laws and draft business rules of the proposed mineral exchange covering aspects as specified in rule 16 of these rules;
- (f) exit scheme as per the provisions of rule 19 of these rules; and
- (g) any other document, as may be specified by the authority.

8. Grant of registration. —

- (1) The authority shall publish advertisement for seeking application for registration as a mineral exchange in leading newspapers and on the website of authority after the prior approval from the Central Government.
- (2) The authority shall notify the salient details of the application received by it for registration as a mineral exchange pursuant to the advertisement on the official website of the authority for inviting comments and suggestions by the stakeholders up to a period of thirty days from the date of publication of such notice.
- (3) The authority may call for any comments, remarks, further information or documents as may be considered appropriate and the same shall be replied by the applicant within seven days from the date of receipt of such request.
- (4) The authority, after due consideration of the application and being satisfied that the applicant meets the eligibility criteria specified in rule 6 of these rules, may send a proposal to the Central Government for its prior approval for the grant of registration to an applicant or reject the application for the reasons to be recorded in writing.
- (5) The Central Government may refuse or grant its prior approval to a proposal received under sub-rule (4) and upon grant of prior approval from the Central Government, the authority shall issue a certificate of registration to the applicant. An application shall be disposed of within a period of ninety days from the date of its receipt.

- (6) The authority may, for the reasons to be recorded in writing, extend any of the timelines specified in this rule in relation to the application process.
- (7) The registration of a mineral exchange shall be for a period of twenty-five years from the date of issue of certificate of registration unless such registration is revoked or cancelled earlier.
- (8) Every certificate of registration shall be published in the official website of the authority.

9. Mineral exchanges other than registered mineral exchanges prohibited. — (1) No person shall operate or be a member of any unregistered mineral exchange after six months from the date of operationalisation of the first mineral exchange registered under these rules.

(2) Any commodity trading platform or market place, which was under operation prior to the date of commencement of these rules shall obtain registration as mineral exchange under these rules within six months of the date of operationalisation of the first mineral exchange registered under these rules, failing which such platform or market place shall cease to operate.

10. Renewal of Registration. —

- (1) The authority may, on an application filed by a mineral exchange in the format specified in the Form, after making such inquiries as may be necessary in this regard and after obtaining such information as it may require, renew registration for a further period of twenty-five years or for such lesser period as the authority considers appropriate.
- (2) An application for renewal of registration shall be submitted by the mineral exchange at least one year before the expiry of the period of registration.
- (3) If an application for renewal of registration is not filed within the time specified, the Authority may, for reasons to be recorded in writing, condone the delay.

11. Net worth. —

- (1) A mineral exchange shall maintain at all times a minimum net worth of fifty crore rupees:
- (2) In case the net worth of a mineral exchange reduces at any time below fifty crore rupees, the authority may, for the reasons to be recorded in writing, allow the mineral exchange such period as may be considered necessary, to restore the net worth to the level specified in this rule.

12. Ownership structure of the mineral exchange. —

- (1) The shareholding pattern for equity holders in a mineral exchange shall be subject to the following limits, namely:—

- a) no member of a mineral exchange or its client shall, at any time, directly or indirectly, either individually or together with associates, affiliates or persons acting in concert, acquire or hold more than five per cent. of the paid-up equity share capital in the mineral exchange; and
 - b) at no point of time all the members of a mineral exchange or its clients shall, in aggregate, directly or indirectly themselves or together with associates, affiliates or persons acting in concert for any of them, acquire or hold more than forty-nine percent of the paid-up equity share capital in the mineral exchange.
- (2) No person, other than a member of a mineral exchange or its client, shall at any time after five years of registration of the mineral exchange, directly or indirectly, either individually or together with associates, affiliates or persons acting in concert, acquire or hold more than twenty-five percent of the paid-up equity share capital in the mineral exchange:
- Provided that such persons shall be required to divest their shareholding in excess of twenty-five percent within five years of registration of mineral exchange:
- Provided further that the mineral exchange shall publish its category-wise shareholding pattern on its official website annually, for public information.
- (3) The mineral exchange shall ensure compliance with the shareholding limits as specified in this rule at all times.

13. Disclosure of information regarding ownership of the mineral exchange. —

- (1) The mineral exchange shall disclose to the authority its category-wise shareholding pattern on the following occasions, namely:—
- (a) on or before the 30th day of April of each year its category-wise shareholding pattern as on the 31st day of March of that year,
 - (b) whenever there is a significant change in the shareholding, and
 - (c) as and when directed by the authority.
- (2) The mineral exchange shall maintain and preserve all the relevant documents and records relating to the issue or transfer of its shares for a period of not less than eight years and make them available to the authority as and when directed.

14. Governance structure of mineral exchange. —

- (1) The board of directors of the mineral exchange shall consist of the following categories of directors, namely:—

- (a) shareholder directors;
 - (b) independent directors and;
 - (c) managing director.
- (2) The number of independent directors shall not be less than the number of shareholder directors on the board of the mineral exchange:
- Provided that for this purpose, the managing director shall be included in the category of shareholder directors.
- (3) The mineral exchange shall ensure that independent directors are selected from diverse fields of work and while deciding to propose name of a particular person as an independent director, the mineral exchange shall also take into account the following factors, namely:—
- (a) persons having qualifications in the area of law, finance, accounting, economics, management, mineral administration or any other area relevant to the mineral markets;
 - (b) at least one person having experience and background in finance or accounts, shall be inducted;
 - (c) persons currently holding positions of trust and responsibility in reputed organisations or persons who have retired from such positions;
 - (d) persons who are likely to have interested positions in commercial contracts and financial affairs of the mineral exchange, shall be excluded;
 - (e) persons who are directors in the board of the promoter entity of the mineral exchange, shall be excluded;
 - (f) persons who are in any fiduciary relationship with any member of mineral exchange or client, shall be excluded.
- (4) The managing director shall function as the chief executive of the mineral exchange and all powers in respect of day-to-day affairs of the mineral exchange shall be vested with him.
- (5) The managing director or any employee of the mineral exchange shall not be directly or indirectly associated with any member of the mineral exchange or client or participant of the mineral exchange or with a holding or subsidiary company thereof.
- (6) The managing director shall ensure that the details of individual bids of members of the mineral exchange are not shared with the board of directors.

- (7) The names of persons to be appointed as shareholder directors shall be approved by the board of directors of the mineral exchange, followed by shareholders' approval and submitted to the authority.
- (8) The manner of election, appointment, tenure, resignation and vacation of shareholder directors and independent directors shall be governed by the relevant provisions of the Companies Act, 2013 (18 of 2013).
- (9) No member of mineral exchange or their client shall be on the board of directors of any mineral exchange.
- (10) The names of persons appointed as directors following due process as per the Companies Act, 2013 (18 of 2013) shall be submitted to the authority.
- (11) The appointment of the independent directors shall be nominated for a fixed term of three years, or for such extended period, as may be approved by the authority.
- (12) The appointment of the managing director shall be for a tenure not less than three years and not exceeding five years.

15. Qualifications and disqualifications for appointment as director on the board of mineral exchange. — (1) A person to be appointed as director on the board of the mineral exchange, shall have good reputation and character, and a record of fairness, integrity and honesty.

(2) Persons having qualifications in the area of law, finance, accounting, economics, management, administration or any other area relevant to the commodity markets;

(3) A person shall be considered as disqualified for appointment or continuation as Director on the board of the mineral exchange, if the person:

(a) is convicted by a court for any offence involving moral turpitude or fraud or any economic offence or any offence against any law and a period of five years has not elapsed from the date of expiry of the conviction:

Provided that if the person is convicted of any offence and sentenced in respect thereof to imprisonment for a period of seven years or more, such a person shall not be eligible to be appointed as a director in any mineral exchange; or

(b) is restrained, prohibited or debarred from holding the post of a director in the board of a company by any other authority constituted under any law in force in India; or

(c) has an adverse order against him by a competent court or tribunal in a winding up proceedings; or

(d) is an undischarged insolvent; or

(e) has applied to be adjudicated as an insolvent and the application is pending; or

(f) is found to be of unsound mind by a court of competent jurisdiction and the finding is in force.

(4) No person who suffers from any of the disqualifications for appointment of director prescribed under Companies Act, 2013 (18 of 2013) shall be eligible for appointment or continuation as director on the board of the mineral exchange.

(5) If any shareholder of the mineral exchange suffers from any of the disqualifications mentioned in sub-rule (2) and (3), such shareholder or its nominee shall be debarred from being appointed as director on the board of the mineral exchange.

16. Bye-laws and business rules of mineral exchange. —

(1) The mineral exchange shall function in accordance with its bye-laws and business rules as approved by the authority.

(2) The authority shall specify various aspects to be covered as a part of such bye-laws and business rules.

(3) No amendment to the bye-laws and business rules shall be carried out without prior approval of the authority:

Provided that the authority may, through a separate order, dispense with the requirement of prior approval for amendment of certain provisions of the bye-laws and business rules:

Provided further that such amendments shall, in all cases, be required to be approved by the board of directors of the mineral exchange before being brought into effect:

Provided also that every amendment so approved by the board of directors shall be notified to the authority within thirty days from the date of approval and the mineral exchange shall maintain a record of all such amendments for inspection.

17. Eligibility and reporting of members of the mineral exchange. —

(1) An applicant shall meet the following eligibility conditions to become a member of a mineral exchange, namely: —

a) the applicant shall be an Indian national, firm, company, or institution registered under the applicable law for the time being in force;

b) the applicant shall be financially sound and possess a satisfactory credit record, with no history of default, fraud, or insolvency;

- c) the applicant shall agree in writing to abide by the rules, bye-laws, regulations, and code of conduct of the mineral exchange;
 - d) the applicant shall satisfy any additional conditions, qualifications, or criteria as may be specified by the mineral exchange or the authority.
- (2) The mineral exchange shall have full discretion to accept or reject any application for membership without assigning reasons.
 - (3) The mineral exchange shall submit to the authority the details of its members in the format prepared by the authority strictly in line with the provisions of these rules.
 - (4) Where any discrepancy is found in the transactions of a member, which is in contravention of these rules, the authority may, after giving such member of the mineral exchange an opportunity of being heard, direct the mineral exchange to debar or revoke the membership of such member and any such direction shall be without prejudice to any action that may be taken against the mineral exchange under these rules.
 - (5) The authority may direct the mineral exchange to introduce qualification test for personnel handling electronic trading terminals and trading in commodity.
 - (6) A mineral exchange shall stipulate criteria for membership of the mineral exchange including net worth, minimum base capital, security deposit requirement and liquid asset requirement.
 - (7) The mineral exchange shall maintain supporting documents provided by the members for obtaining membership including the documents evidencing compliance with any criteria specified by the mineral exchange and furnish it to the authority when required and such documents shall be maintained up to a period of not less than five years after the member ceases to be a Member of the mineral exchange:

Provided that the Authority may by order, extend the period of preservation of such documents in cases where proceedings or investigations are pending against a member.

18. Fees. —

- (1) Mineral exchange shall pay a one-time registration fee, an annual fee and a renewal fee as specified in the Schedule.
- (2) The annual fee shall be payable by 30th of April every year.

19. Exit of the mineral exchange. —

- (1) At the time of registration, the mineral exchange shall obtain the approval of the authority of an exist scheme to be implemented by the mineral exchange in the event of its

closure or revocation of registration.

- (2) The exit scheme shall provide the manner in which,—
- a) the running contracts on the mineral exchange shall be closed or the succession plan for all transacted contracts; and
 - b) the mineral exchange shall settle any claims pertaining to pending arbitration cases, arbitration awards, liabilities or claims of contingent nature and unresolved investors complaints or grievances lying with it.

20. Grievance redressal of members and clients. —

- (1) The mineral exchange shall constitute a grievance redressal forum, headed by an independent director of the exchange.
- (2) The mineral exchange shall disclose, on its website, the details of complaints lodged by members and clients and status of resolution of the grievance.
- (3) The mineral exchange shall also disclose, on its website, the conflict resolution mechanism followed and the result of grievance resolution.
- (4) The authority may call for information on redressal of any specific grievance by the mineral exchange.
- (5) Any unresolved grievance at the level of the redressal forum shall be placed before the Authority.

CHAPTER III

COMPONENTS AND MANAGEMENT OF CONTRACTS

21. Price discovery. —

- (1) Price discovery shall be undertaken by mineral exchange through a mechanism that ensures fair, neutral, competitive and efficient prices.
- (2) The bidding and price discovery shall be conducted in accordance with the mechanism approved by the authority, based on the proposal of the mineral exchange.

22. Scheduling and delivery. —

- (1) The scheduling and delivery of transactions shall be carried out in coordination between sellers, buyers and other relevant market participants in accordance with the contract approved by the authority.
- (2) The quality of the delivered commodity shall be verified by the assaying agency in accordance with the contract approved by the authority.

23. Contract and settlement conditions. —

- (1) A contract may be annulled or curtailed only in accordance with the clauses as stipulated in the contract.
- (2) Settlement of payments pertaining to the transactions for contracts shall be carried out in accordance with the provisions of Rule 33 of these rules.
- (3) The final price of the traded commodity shall be adjusted in accordance with quality of the commodity traded based on the price adjustment mechanism of the contract executed and in accordance with the quality and quantity certification issued by the assaying agency.
- (4) Any variance between the quantity actually dispatched and the quantity traded shall be resolved in accordance with the terms and conditions stipulated in the executed contract.

24. Approval or suspension of contracts by the authority. —

- (1) The authority may, on its own or on an application made in this behalf, permit any mineral exchange to introduce new contracts:

Provided that the mineral exchange may, after consultation with stakeholders, introduce new bid types or modify existing bid types conforming to the types and features of the contracts approved by the authority, under intimation to the authority along with the details of consultation with stakeholders and the views of the mineral exchange.

- (2) Any mineral exchange seeking permission to introduce a new contract under sub-rule (1), shall submit to the authority complete and detailed contract specifications including the following, namely:—
 - a) description and type of contract;
 - b) price discovery methodology and matching rules proposed;
 - c) transaction period including commencement and tenure of transaction session before delivery;
 - d) risk management mechanism;
 - e) margining mechanism;
 - f) clearing mechanism;
 - g) settlement mechanism;
 - h) delivery mechanism;

- i) quality assurance mechanism;
 - j) penalty for contractual deviation;
 - k) any other aspects, as mentioned by the authority.
- (3) The authority may, after granting the concerned mineral exchange the opportunity of being heard, by order, suspend transactions of any contract for the period specified in the order or withdraw any contract from the mineral exchange:

Provided that the Authority shall record in writing the reasons for suspension or withdrawal of any contract and such reason shall be communicated to the mineral exchange.

CHAPTER IV

ROLE AND FUNCTION OF AUTHORITY

25. Appointment of experts by authority. —

- (1) The authority may appoint experts who are already on the panel of the following with respect to similar expert advisory as required by the authority, namely:—
- a) any ministry or department of the Central Government; or
 - b) any Central Government public sector enterprise or any statutory or autonomous organization of the Central Government.
- (2) The authority may also appoint experts who are not on any panel after following the procedure specified in the manual of policies and procedure of employment of consultants issued by the Central Government in the Ministry of Finance, Department of Expenditure.

26. Mineral exchange transaction fee. —

- (1) The mineral exchange shall be required to submit to the authority the details of the transaction fee to be charged by the mineral exchange based on types of contracts or quantum of transaction or duration of transaction or such other factors as may be proposed by the mineral exchange before commencement of the exchange operation, provided that such transaction fee shall be subject to the limits specified by the authority .
- (2) The mineral exchange shall be required to submit to the authority the details of any other charges or fees to be charged by the mineral exchange before commencement of the exchange operation, provided that such charges or fees shall not exceed the limits specified by the authority.

27. Revocation of registration of mineral exchange

- (1) The authority may, for reasons to be recorded in writing and after giving the mineral exchange an opportunity of being heard, revoke the registration granted to it in any of the following, namely:—
 - a) the functioning of the mineral exchange is in violation of any terms and conditions of these rules or terms of registration;
 - b) the shareholding of the mineral exchange is in violation of the terms and conditions of these rules;
 - c) the mineral exchange indulges in market manipulation or insider trading;
 - d) the net worth of the mineral exchange reduces at any time below the amount as provided in rule 11;
 - e) the mineral exchange fails to comply with any direction of the authority;
 - f) the mineral exchange makes an application for revocation of registration.
- (2) Notwithstanding revocation of the registration of mineral exchange, contracts executed prior to such revocation shall remain valid and their performance shall be ensured by the mineral exchange through exit scheme or as directed by the authority.

28. Power to issue interim orders. —

Where, during an investigation or intervention, the authority is satisfied that an act in contravention of these rules has been committed, is being committed or is about to be committed, the authority may, by order, temporarily restrain any person from carrying on such act until the conclusion of such investigation or intervention or until further orders, after giving notice to such person.

29. Power of inspection. —

- (1) Every registered mineral exchange and every member thereof shall maintain and preserve, for such period as may be specified by the authority, such books of account and other documents, and the same shall, at all reasonable times, be available for inspection by the authority.
- (2) The authority may, at any time, undertake inspection, conduct inquiry or carry out audit of any mineral exchange, either through its officers or through a third-party agency.
- (3) Where an inspection under sub-rule (2) is undertaken by the authority, such mineral exchange and every director, manager, officer and any other employee thereof shall cooperate for such inspection, inquiry or audit.

30. Directions by the authority. —

- (1) Without prejudice to the exercise of its powers under the Act and rules made thereunder, the authority may, *suo-motu* or on receipt of any information or during pendency of any inspection, inquiry or investigation or upon completion thereof, issue such directions as it deems fit in the interest of promoting competitive commodity markets.
- (2) The authority may call for any information, documents or records from the mineral exchange.
- (3) The authority may direct the mineral exchanges to create and operate a separate window or windows for the auction of certain minerals from the mines or groups of mines as may be specified by the authority; and such auctions shall be conducted in accordance with the directions issued by the authority.

31. Direction by the Central Government.— The Central Government may give such directions to the authority, as it may deem necessary to carry out the provisions of the Act or these rules.

CHAPTER V

RISK MANAGEMENT

32. Risk management by mineral exchange. —

- (1) The mineral exchange shall develop and implement a prudent risk management framework and such framework shall,—
 - (a) be based on best practices, and
 - (b) remain dynamic and responsive to the changing risk profiles of the market.
- (2) For the purposes of maintaining adherence to the framework developed under sub-rule (1), the mineral exchange shall constitute a risk assessment and management committee headed by an independent director of the board.
- (3) The said committee shall review the risk management framework at intervals of six months, specifically in January and July of each year.
- (4) The said committee shall submit a report to the Board of Directors together with the decision of the board of directors, to the authority in the form specified by authority not later than end of March and end of September each year, respectively.

33. Clearing and settlement. —

- (1) The mineral exchange shall discharge its obligations relating to the clearing and settlement of transactions undertaken on its platform or marketplace in accordance with its bye-laws.
- (2) The settlement of a transaction between parties, as referred in sub- rule (1), shall be final, irrevocable and binding on such parties.
- (3) The final settlement of a transaction between the parties on the mineral exchange shall be effected in accordance with the relevant contract, subsequent to the issuance of the confirmation report by a assaying agency.
- (4) The mineral exchange may declare a member as a defaulter if such member,—
 - a) fails to fulfill its clearing or settlement obligations towards the mineral exchange or its client;
 - b) admits or discloses its inability to fulfil or discharge its duties, obligations and liabilities towards the mineral exchange or its client;
 - c) fails to pay any sum due to the mineral exchange, as may be stipulated;
 - d) fails to abide by the arbitration award as laid down in the bye-laws and business rules of the mineral exchange; or
 - e) fails abide by conditions as may be laid down by the mineral exchange.
- (5) The mineral exchange shall, with the prior approval of the authority, devise a mechanism to fulfill the obligations of the defaulting member .

34. Settlement guarantee fund. —

- (1) Every mineral exchange shall establish and maintain a settlement guarantee fund, to guarantee the settlement of trades executed on it.
- (2) The mineral exchange shall constitute a settlement guarantee fund management committee headed by an independent director of the board and shall include adequate representation from the members of the mineral exchange.
- (3) The said committee shall be responsible for overseeing the management of settlement guarantee fund.
- (4) The contribution to the settlement guarantee fund as specified in this rule shall be made by the mineral exchange and all members of the mineral exchange, in the manner as may be specified by the mineral exchange.
- (5) In case of shortfall in the settlement guarantee fund, the mineral exchange shall replenish it to the threshold level as may be specified by the authority.

- (6) The mineral exchange shall invest the proceeds of settlement guarantee fund in safe investments and ensure that the principal amount is not at risk.
- (7) Not less than fifty per cent. of the proceeds of settlement guarantee fund shall be kept in safe and liquid investments, including but not limited to fixed deposits with Scheduled Public Sector Banks, treasury bills and Government securities.
- (8) The mineral exchange shall distribute to its members at least seventy per cent. of the return earned on the initial security deposit invested in the financial year, within forty-five days of the close of that financial year.
- (9) The distribution under sub-rule (8) shall be made in proportion to—
 - (a) the initial security deposit of the member; and
 - (b) the duration for which such deposit was held with the mineral exchange.
- (10) The principles and methods governing the usage of the settlement guarantee fund shall be specified in the bye-laws and business rules of the mineral exchange.
- (11) Details of investment of the settlement guarantee fund shall be submitted to the authority on an annual basis together with annual report of the mineral exchange.

35. Information technology infrastructure and trading system of mineral exchange. —

- (1) The mineral exchange shall operate an electronic trading system and utilize network communication for its operations.
- (2) The bid entered by a member shall be checked against availability of funds or collateral in the risk management system before it is accepted into the bid book of the mineral exchange.
- (3) An automated audit trail of bids, matching of bids and the execution of transactions shall be maintained.
- (4) The algorithm of the software application used for price discovery shall comply with,
—
 - (a) the requirement specified in Rule 21; and
 - (b) the methodology set out in the bye-laws and business rules of mineral exchange.
- (5) The mineral exchange shall get the algorithm audited,—
 - (a) before the commencement of its operations; and
 - (b) thereafter, once in every two years.

- (6) The findings of the audit under sub-rule (5) shall be submitted to the authority.
- (7) The resources employed by the mineral exchange shall,—
- (a) possess competence in audit of algorithms; and
 - (b) hold relevant industry certifications, such as Certified Information Systems Auditor credential from Information systems Audit and Control Association); or
 - (c) be empaneled with the Standardization Testing and Quality Certification Directorate under the Ministry of Electronics and Information Technology.
- (8) The authority may conduct an audit or appoint an agency to conduct an audit of the software applications used by the mineral exchange for price discovery.
- (9) The mineral exchange shall provide to the authority results of the test cases and scenarios as required by the authority.
- (10) The mineral exchange shall carry out periodic information technology system audit for data security, data integrity and operational efficiency for every financial year and shall submit the reports thereof to the authority by the 30th June following the end of the financial year.
- (11) The mineral exchange shall with the approval of the board, formulate and implement a cyber security and cyber resilience framework to manage risk to its systems, networks and databases from cyber-attacks and threats, and shall submit such framework to the authority for information.(12 A security audit of the information technology systems shall be carried out each year by an organisation empaneled with Indian Computer Emergency Response Team. .
- (13) The mineral exchange shall establish and maintain a disaster recovery site and alternate trading facility to ensure business continuity in event of an emergency.

36. Market surveillance by mineral exchange. —

- (1) The mineral exchange shall establish a surveillance department to carry out day-to-day monitoring and surveillance of transactions and to undertake analysis specified in sub-rule (7).
- (2) The mineral exchange shall ensure confidentiality of the bids received at its platform.
- (3) The mineral exchange shall constitute a market surveillance committee which shall be headed by an independent director of the board and shall include members from the executive team of the mineral exchange.
- (4) No member of the market surveillance committee shall be a member of the mineral

exchange.

- (5) The mineral exchange shall ensure that market surveillance are conducted from a physically secure area restricted for authorised personnel.
- (6) The mineral exchange shall maintain information, data security, and audio recording of conversations of personnel referred in sub-rule (5) for a period of two years and make them available to the authority, if so directed.
- (7) The surveillance department shall analyse the bidding patterns and transactions of participants and submits its analysis and report to the market surveillance committee.
- (8) The market surveillance committee shall submit quarterly surveillance report to the authority within thirty days after the end of every quarter.
- (9) The report under sub-rule (8) shall include an analysis of the following, namely:—
 - a) transaction pattern of members of mineral exchange over a specific time period;
 - b) daily, weekly, monthly volatility analysis of prices;
 - c) price setter analysis of buyer and seller;
 - d) dominant position by market participants;
 - e) monitoring of circular trading;
 - f) sudden high transaction volumes of members of mineral exchange;
 - g) default by any member of mineral exchange;
 - h) market concentration in daily transactions;
 - i) marginal buyers and sellers, whose volume was cleared at the margin.

CHAPTER VI

DATA SHARING

37. Information dissemination by mineral exchange. —

- (1) The mineral exchange shall display on its website, links to all the relevant websites.
- (2) The mineral exchange shall make available in its website in downloadable format regarding prices, volumes, transaction fees and historic prices of commodities traded.
- (3) The mineral exchange shall publish in its website, the maximum, minimum and

average of the traded prices for the month and average volume cleared for all types of contracts transacted.

- (4) The mineral exchange shall publish on its website, data tables displaying aggregate demand and supply curves for each type of contract.
- (5) The mineral exchange shall provide to the authority on a monthly basis, details of all transactions in the formats specified by the authority.
- (6) The mineral exchange shall submit to the authority, bids of all participants along with required analysis, as and when directed by the authority.
- (7) The mineral exchange shall organise, on a regular basis, member or client awareness programmes across the country.

38. Transaction reporting by mineral exchange. —

- (1) The mineral exchange shall submit to the authority, through a suitable electronic mode, monthly details of all transactions on its platform.
- (2) The authority may, at any time by order, direct the mineral exchange or any participant to submit any periodical or one-time report on any parameter in such format as it may deem fit and such report may include,—
 - (a) mineral commodities listed and de-listed;
 - (b) changes in rules and bye-laws;
 - (c) changes in the composition of the governing body;
 - (d) disciplinary action against members;
 - (e) arbitration of disputes (nature and number) between members and non-members; or
 - (f) any other information, data, or report, as may be required by the authority.
- (3) The authority may, by order, specify and review the formats in which any of the information shall be submitted by the mineral exchange or any participant.

39. Annual report. — The mineral exchange shall submit its annual report along with its audited balance sheet by the 30th September of every year to the authority.

CHAPTER VII

MARKET OVERSIGHT

40. Objectives of market oversight. — The objectives of market oversight by the authority shall be,—

- (a) to detect and prevent market manipulation, insider trading, cartelisation and abuse of dominant position by any market participant;
- (b) to ensure that market participants have confidence in the integrity and fairness of mineral exchange; and
- (c) to ensure that the prices are discovered in a transparent and competitive manner.

41. Procedure for market oversight. —

- (1) The authority shall undertake market oversight periodically and as and when required.
- (2) The market oversight shall include, but not limited to, the following, namely:—
 - a) procedure for registration of market participants;
 - b) mechanism for collecting data from market participants;
 - c) details of market participants or any other entities who shall furnish information;
 - d) details of information to be furnished by the entities specified in clause (iii);
 - e) periodicity and formats for reporting of information;
 - f) measures to prevent any misuse of or unauthorized access to the information furnished by market participants;
 - g) conducting analytics and market surveillance based on the data furnished by the market participants;
 - h) any other information as may be required by the authority.
- (3) The authority may order inquiry or investigation in the event of any of the following circumstances, namely:—
 - (i) Non-compliance of the statutory obligations by market participants, including,—
 - a) violation or non-compliance of any of the provisions of these rules;

- b) non-compliance of the orders of the authority issued for contravention of these rules; or
 - c) delay or non-submission of information sought under sub-rule (2) or any other information sought by the authority;
- (ii) involvement of market participants in any of the following activities, namely:—
- (a) market manipulation;
 - (b) any form of cartelisation;
 - (c) insider trading;
 - (d) abuse of dominant position by any market participant.
- (4) Where an inquiry in relation to the affairs of a registered mineral exchange or the affairs of any of its members in relation to the mineral exchange has been undertaken under sub-rule (3), the following person(s):
- (a) every director, manager, secretary or other officer of such mineral exchange;
 - (b) every member of such mineral exchange;
 - (c) if the member of the mineral exchange is a firm, every partner, manager, secretary or other officer of the firm; and
 - (d) every other person or body of persons who has had dealings in the course of business with any of the persons mentioned in clauses (a), (b) and (c), whether directly or indirectly;

shall be bound to produce all such books of account, and other documents in their custody or power, relating to or having a bearing on the subject-matter of such inquiry and also to furnish the inquiring committee within such time as may be specified with any such statement or information relating thereto as may be required of them.

42. Intervention by the authority. —

- (1) Upon receipt of any information or report under rule 41, the authority may, after giving concerned market participant an opportunity to to make a representation in connection therewith and after considering representation, so made, by order—

- (a) require the concerned market participant to take such action in respect of any matter arising out of the report as the authority may deem fit; or
- (b) impose penalty as may be determined by the authority under Rule 40; or
- (c) debar the concerned Market Participant from participating in any of the Contracts mentioned in Rule 3 of these rules for a period as may be decided by the authority; or
- (d) direct the mineral exchange to cancel membership of a Member; or
- (e) Suspend or cancel the registration of the mineral exchange under these rules.

43. Circumstances requiring intervention. —

- (1) The authority may, on being satisfied that any of the below mentioned circumstances exist or is likely to occur in the market, by an order, give such directions as may be necessary, namely:
 - a) abnormal increase or decrease in prices of a Commodity;
 - b) sudden or unreasonable fluctuations or unwarranted changes in the prices of a commodity and high volatility; and
 - c) Sudden high transaction volumes on a mineral exchange.
- (2) In particular and without prejudice to the generality of the foregoing power, the authority may, by order in writing:
 - a) Impose floor or cap price of a commodity in the mineral exchange;
 - b) suspend transaction activities for a cooling off period (in case of increased volatility):
 - c) suspend transaction of any specific Contract on mineral exchange;
 - d) regulate the Transaction fee charged by the mineral exchange.

CHAPTER VIII

MISCELLANEOUS

44. Forms, procedure and guidelines. —

- (1) For the purposes of implementation of these rules and matters incidental thereto, the

authority may specify procedures, and guidelines.

- (2) The forms wherever required for the prescribed requirements like application for registration, renewal, submitting returns or the like shall be prepared by the authority strictly in line with the provisions of these rules.

SCHEDULE

(see Rule 7(2) and 18)

Fees

S. No.	Purpose	Amount (in ₹)
(1)	(2)	(3)
1.	Application fee	3,00,000/-
2.	Registration fee	50,00,000/-
3.	Annual fee by registered mineral exchange	30,00,000/-
4.	Renewal fee by registered mineral exchange	2,00,00,000/-

FORM

(See Rule 7(1) and 10(1))

Application for registration/ renewal of registration of a mineral exchange under sub-rule (1) of rule 7 / sub-rule (1) of rule 10 of the Mineral Exchange (Regulations) Rules, 2026

To

.....

.....

Subject:— Application for registration/ renewal of registration of a mineral exchange under sub-rule (1) of Rule 7 of the Mineral Exchange (Regulations) Rules, 2026.

Sir/Madam,

Pursuant to Advertisement No.

..... datedfor registration as
mineral exchange / Certificate of registration No.

dated..... issued by the authority (the Indian Bureau of Mines), we/ I on behalf of (name and address of applicant/ mineral exchange) being applicant for mineral exchange/ a mineral exchange as defined in section 18B of the Mines and Minerals (Development & Regulations) Act, 1957 hereby apply for registration/ renewal of registration for the purposes of the said Act.

2. Two copies of the rules, memorandum and articles of association relating in general to the constitution and management of the mineral exchange and two copies of the bye-laws for the regulation of mineral commodities are enclosed.
3. All the necessary information required in the Annexure to this Form is enclosed. Any additional information will be furnished as and when called for by the authority (the Indian Bureau of Mines).
4. We/ I on behalf of the said applicant/ mineral exchange hereby undertake to comply with the requirements of section 18B of the said Act and rules made thereunder and such other conditions and terms as may be contained in the certificate of registration or be prescribed or imposed subsequently.
5. Treasury Receipt No.dated.....for Rs..... for application fee is attached.

Yours faithfully,

Signature of applicant

**ANNEXURE TO APPLICATION FOR REGISTRATION/ RENEWAL OF
REGISTRATION OF A MINERAL EXCHANGE**

Part I - General

1. Name of the applicant / mineral exchange.
2. Address.
3. Date of establishment.

4. Is your mineral exchange a joint venture company (state whether public or private) registered under the Companies Act, 2013 (18 of 2013) or an association for profit or otherwise? If it is organised on some other basis, this may be stated.
5. Give details of your capital structure and attach three copies of the audited balance sheets and profit and loss account of the mineral exchange for the preceding three financial years.

Part II - Membership

6. Do you insist on any minimum qualifications and experience before enrolling new members? If so give details.
7. State the different classes of members, if any, the number thereof and the privileges enjoyed by each class. What is the procedure followed by your exchange for the admission of different classes of new members?
8. What are the rates of your annual subscription in respect of the different classes of member?
9. Do you collect any admission or entrance fees from your members? If so, how much?

Part III - Governing Body

10. What is the present strength of your governing body? Give details of the constitution, powers of management, of office of members of the governing body, and the manner in which its business is transacted.
11. Are any trades or commercial interest represented on your governing body? If so, give details of interests represented.
12. Do you have any provision for the appointment of standing or *ad hoc* sub-committees of the governing body? If so, furnish details of the method of their appointment, terms of office, powers and functions.
13. Give the designations, powers and duties of principal office-bearers of your exchange. If so, give details as to the mode of their appointment, tenure of office and remuneration.

Part IV - Trading

14. Give details of business hours.
15. Do you prescribe standard forms of contract for the use of your members? Attach one copy of each such contract form.

16. What provisions have you made for periodical settlement of contracts and differences thereunder, the delivery of, and the passing of delivery orders?
17. If you have clearing house, what returns do the members of your exchange submit regarding the transactions cleared through such clearing house? Does the exchange ask for any regular returns in respect of transactions settled outside the clearing house? Submit one copy of forms used in this connection.
18. How do you fix, alter or postpone the dates of settlement?
19. Have you any arrangements for recording and publishing market rates including opening, closing, highest and lowest rates?
20. Do you prescribe margin requirements? If yes, give details.
21. Do you prescribe maximum and minimum prices for commodities? If so, how and under what conditions.
22. What are the disciplinary power with the governing body to enforce due compliance by members of the rules and bye-laws of the exchange and generally to ensure proper standard of business conduct?
23. Do you require members to supply such information or explanation and to produce such books relating to their business as your governing body may require?
24. Do you publish any statistics in regard to business done on the mineral exchange including the transactions settled through the clearing house, if maintained? Give details.
25. Do you have any bye-laws contravention of which makes a contract void?

Part V - Miscellaneous

26. Do you have any machinery for arbitration of disputes between members and/or between members and their constituents? Give details.
27. What provisions have you made for the levy and recovery of fees, fines and penalties?

[F. No. M.IV-.....]

(...)

Joint Secretary to the Government of India.