

Ethiopia Commodity Exchange Internal Rules Amendment

No.559/2021

1. Preamble

- 1.1 The Ethiopia Commodity Exchange (hereinafter referred to as the “Exchange”) issued these amendment pursuant to Article 12(10) of the Ethiopia Commodity Exchange Proclamation No.550/2007 as it is found necessary to amend the Revised Internal Rules of the Ethiopia Commodity Exchange No.558/2021 (hereinafter referred to as the “Rule”).
- 1.2 These Internal Rules shall come into force after the approval by the Ethiopia Commodity Exchange Authority (hereinafter referred to as the “Authority”) as per its powers under Article 6(3) of the Ethiopia Commodity Exchange Authority Proclamation No.551/2007.
- 1.3 These Internal Rules may be cited as the “Ethiopia Commodity Exchange Internal Rules Amendment No.559/2021”

2. Amendment

The Revised Internal Rules of the Ethiopia Commodity Exchange No.558/2021 (the “Rules”) are hereby amended as follows:-

- (1) The following new Sub-Articles 2.1.16 is added under Sub-Article 2.1 of the Rule and Sub-Articles 2.1.16 to 2.1.47 of the Rule is renumbered as Sub-Articles 2.1.17 to 2.1.48 respectively.

“2.1.16 Commercial Farmers - Any person including investors and agricultural organizations, which produce agricultural products for commercial purpose.”

- (2) The following new Sub-Articles 2.1.49 and 2.1.50 is added under Sub-Article 2.1 of the Rule and Sub-Articles 2.1.49 to 2.1.65 of the Rule is renumbered as Sub-Articles 2.1.51 to 2.1.68 respectively.

“2.1.49 Processors– Any person who uses processing industry on agricultural commodities for grinding, roasting or adding value on content and volume in order to avail the products for market.”

2.1.50 Regional Electronic Trading Center- an electronic trading center opened by the Exchange outside of Addis Ababa"

(3) Sub-Article 4.17.1.1 of the Rule is amended as follows

"4.17.1.1 The Exchange shall have the following five categories of Non-member Direct Trader

- a. Small holder farmer
- b. Supplier
- c. Exporter
- d. Processors, and
- e. Commercial Farmers"

(4) Sub-Article 4.17.3.2 of the Rule is amended as follows

"4.17.3.2.1 Has produced audited financial statement from an Authority recognized Auditor certifying he has minimum requirement for Net worth of 250,000 Birr for Supplier, Exporter, Processor or Commercial Farmer;

4.17.3.2.2 Notwithstanding Sub-Article 4.17.3.2.1 above Supplier Non-member Direct Trader who choose to trade only at the Regional Electronic Trading Centers is not required to produce audited financial statement certifying that he has Net worth.

4.17.3.2.3 Has paid Non-member Direct Trader trade access fee:

- a) 25,000 Birr for supplier, exporter, processor and commercial farmer
- b) Notwithstanding Sub-Article 4.17.3.2.3 (a) above, Birr 5,000 for Supplier and Commercial Farmer Non-member Direct Trader who choose to trade at the Regional Electronic Trading Centers only.

4.17.3.2.4 Has paid 50,000 Birr, non-interest bearing security deposit in the form of cash, which shall be used to form the Settlement Guarantee Fund of the Exchange for supplier, exporter, processor and commercial farmer.

4.17.3.2.5 Notwithstanding Sub-Article 4.17.3.2.4 above all Supplier Non-member Direct Traders who choose to trade at the Regional Electronic Trading Centers only can conduct trades without being required to deposit/pay a security deposit for the Settlement Guarantee Fund of the Exchange.

4.17.3.2.6 Annual maintenance/renewal fee of 5,000 Birr for supplier, exporter processor and commercial farmer.

4.17.3.2.7 Notwithstanding Sub-Article 4.17.3.2.6 above, annual maintenance/renewal fee of 3,000 Birr for processor and commercial farmer Non-member Direct Traders who choose to trade at the Regional Electronic Trading Centers only.”

(5) The following new Sub-Articles 4.17.8 is added under Sub-Article 4.17 of the Rule. Sub Articles 4.17.8 to 4.17.13 are renumbered as 4.17.9 to 4.17.14 respectively.

“4.17.8 Conducting trades at the Regional Electronic Trading Centers only

4.17.8.1 Non-member Direct Traders who choose to trade only at the Regional Electronic Trading Centers can conduct trades at all Regional Electronic Trading Centers of the Exchange.

4.17.8.2 Non-member Direct Traders who choose to trade only at the Regional Electronic Trading Centers shall confirm his adherence to his obligation to conduct trades only at the Regional Electronic Trading Centers by signing undertaking prepared by the Exchange.

4.17.8.3 Non-member Direct Traders who choose to trade only at the Regional Electronic Trading Centers may trade outside such trading centers, only if he terminate the undertaking indicated under Sub Article 4.17.8.2 above and fulfils admission requirements to conduct trades outside of Regional Electronic Trading Centers and secure the permission of the Exchange to conduct such trade .

4.17.8.4 The Exchange shall immediately notify the Authority list of traders (market actors) when transfer of traders is made from the Regional Electronic Trading Centers to Addis Ababa Trading Center and from Addis Ababa Trading Center to the Regional Electronic Trading Centers to conduct trades.”

3. Effective Date

These revised Rules shall take effect day following fourteen days after date of approval by the Authority in accordance with Article 21.1 of the Rules.

**Approved by the Board of the Ethiopia Commodity Exchange Authority at
Addis Ababa, on 29th day of April, 2020**