India International Bullion Exchange IFSC Limited

CLEARING BYE-LAWS

ARRANGEMENT OF CHAPTERS

CHAPTER I

PREAMBLE

The India International Bullion Exchange IFSC Limited makes the following Clearing Bye-Laws, namely:-

1. These Bye-Laws shall be known as "The Clearing Bye-Laws of India International Bullion Exchange IFSC Limited" and are for the sake of brevity and convenience, herein referred to as "these Bye-Laws" or "the Bye-Laws of the Bullion Clearing Corporation".

2. These Bye-Laws shall come into force with effect from such date as the International Financial Services Centres Authority (hereinafter referred to as "**the IFSCA**" or "**IFSCA**") established under the International Financial Services Centres Authority Act, 2019 (hereinafter referred to as "**the IFSCA Act**") grants recognition to India International Bullion Exchange IFSC Limited in terms of the powers given to the IFSCA in International Financial Services Centres Authority (Bullion Exchange) Regulations, 2020 (hereinafter referred to as "**the Bullion Exchange Regulations**") or any other later date (post such recognition) as the Board of the Bullion Clearing Corporation, may notify in that behalf.

3. These Bye-Laws shall be in addition to the provisions of the IFSCA Act and rules and regulations made thereunder by IFSCA and / or Central Government and the Bullion Exchange Regulation and circulars or guidelines or directions issued by the IFSCA and / or Central Government thereunder. These Bye-laws shall at all times be read subject to the provisions of the IFSCA Act and rules and regulations made thereunder by IFSCA and / or Central Government thereunder and the Bullion Exchange Regulations and circulars or guidelines or directions issued by the IFSCA and / or Central Government thereunder, as amended from time to time and the, directives, orders, guidelines, norms and circulars issued by the Government of India and/or IFSCA from time to time.

4. In case of difference between the provisions of any Bye-Laws, rules and business rules/ regulations of the Bullion Clearing Corporation and the provisions of the IFSCA Act and rules and regulations made thereunder by IFSCA and / or Central Government thereunder and the Bullion Exchange Regulations and circulars or guidelines or directions issued by the IFSCA and / or Central Government thereunder, the provisions of the IFSCA Act and rules and regulations made thereunder by IFSCA and / or Central Government thereunder and the Bullion Exchange Regulations and circulars or guidelines or directions issued by the IFSCA and / or Central Government thereunder, shall prevail.

CHAPTER II

DEFINITIONS

1. "**Board**" means board of directors of the Bullion Clearing Corporation.

2. "**Bullion**" shall mean precious metals, including gold, silver or any other precious metal in the form of bars or unallocated gold, silver, or such other precious metals, as the IFSCA may consider relevant in this regard, relating to good delivery, quality, quantity, and any other aspect in relation to bullion trading from time to time, and shall have the meaning assigned to term in the Bullion Exchange Regulations, as amended from time to time.

3. "**Bullion Clearing Corporation**" means Bullion Clearing Corporation, operated by India International Bullion Exchange IFSC Limited.

4. "**Bullion Clearing Member"** means a person having clearing rights and is a member of the Bullion Clearing Corporation and includes all categories of clearing members as may be admitted as such by the Bullion Clearing Corporation and are registered with the IFSCA.

5. "**Bullion Contract**" means a contract for the purchase and sale of Bullion, Bullion Depository Receipts or such other Bullion products, including derivatives on Bullion, bullion spot delivery contracts, and such other contracts as may be permitted by the IFSCA, and shall have the meaning assigned to term in the Bullion Exchange Regulations, as amended from time to time. The Bullion Clearing Corporation may notify Bullion Contracts for which clearing and settlement will be done by the Bullion Clearing Corporation.

6. "**Bullion Depository**" means a Financial Institution under clause (c) of sub-section (1) of section 3 of the IFSCA Act, recognised by the IFSCA under the Bullion Exchange Regulations, to carry on depository business in Bullion in an IFSC and shall have the meaning assigned to term in the Bullion Exchange Regulations, as amended from time to time;

7. "**Bullion Depository Receipt**" means a receipt issued in electronic form with underlying Bullion by a Bullion Depository, under the Bullion Exchange Regulations, to a Depositor on receipt of Bullion for storage by an empanelled Vault, which can be traded on the Bullion Exchange, and shall have the meaning assigned to term in the Bullion Exchange Regulations, as amended from time to time;

8. "**Bullion Exchange**" means a Financial Institution under clause (c) of sub-section (1) of section 3 of the IFSCA Act, established and recognised for the purpose of assisting, regulating and controlling Bullion Contracts in an IFSC, dealings on which may be admitted to be Cleared and Settled by the Bullion Clearing Corporation subject to such terms and conditions as may be specified from time to time by the Relevant Authority.

9. "**Bullion Exchange Regulations**" shall mean the International Financial Services Centres Authority (Bullion Exchange) Regulations, 2020

10. "**Bullion Trading Member**" means a person having trading rights in any Bullion Exchange and

as such registered with the IFSCA as per the Bullion Exchange Regulations, as amended from time to time.

11. "**Bye-Laws**" means the Bye-Laws of the Bullion Clearing Corporation for the time being in force and shall be in addition to the provisions of the IFSCA Act and rules and regulations made thereunder by IFSCA and / or Central Government and the Bullion Exchange Regulations and circulars or guidelines or directions issued by the IFSCA and / or Central Government thereunder.

12. "**Clearing and Settlement**" or "**Cleared and Settled**" or "**Clearing and Settling**" means clearing and settlement of deals in such manner and subject to such conditions as may be specified by the Relevant Authority from time to time, unless the context indicates otherwise.

13. "**Clearing Bank(s)**" is/are such bank(s) as the Bullion Clearing Corporation may appoint to act as a funds settling agency, for the collection of margin money for all deals cleared through Bullion Clearing Corporation and any other funds movement between Bullion Clearing Members and the Bullion Clearing Corporation and between Bullion Clearing Members as may be directed by the Bullion Clearing Corporation from time to time.

14. "**Committee/s**" mean the committees formed by the Board of Directors of the Bullion Clearing Corporation in accordance with the decision of the relevant authority or as directed by IFSCA from time to time.

15. "**Consumer**" means a constituent of a Bullion Trading Member and shall have the meaning assigned to term in the Bullion Exchange Regulations, as amended from time to time.

16. "**Client**" / "**Constituent**" means a person, on whose instructions and on whose account the Bullion Clearing Member clears and settles Deals. For this purpose, the term "Client" shall include Customers and all registered constituents of Bullion Trading Members of Bullion Exchange.

    Explanation 1: The terms 'Constituent' and 'Client' are used interchangeably in the Bye-Laws, Rules & Regulations and shall have the same meaning assigned herein.

    Explanation 2: The term 'Constituent' in relation to trades shall also include a Bullion Trading Member where such trades done on the Bullion Exchange are Cleared and Settled on his behalf by a Bullion Clearing Member.

17. "**Customers**" shall have the meaning as ascribed under the Operating Guidelines.

18. "**Deal"** means, unless the context indicates otherwise, trades executed on a Bullion Exchange which are admitted to be Cleared and Settled through the Bullion Clearing Corporation.

19. "**Delivering Member"** means a Bullion Clearing Member who has to or has delivered documents as required for delivery in fulfillment of Bullion Contract to which these Rules, Bye Laws and Regulations apply unless the context indicates otherwise.

20. "**Depositor**" or "depositor" means a Consumer who delivers Bullion to the Vaults empanelled with any Bullion Depository for storage and shall have the meaning assigned to term in the Bullion

Exchange Regulations, as amended from time to time.

21. "**good delivery**" / "**good delivery standard**" shall have the meaning assigned to the term in the Bullion Exchange Regulations, as amended from time to time, and shall include good delivery standards as prescribed under OECD Due Diligence Guidance for Responsible Supply chain of Minerals from Conflict Affected and High-Risk Areas, as amended from time to time.

22. "**IFSC**" shall have the same meaning as assigned to it in clause (q) of section 2 of the Special Economic Zones Act, 2005.

23. "**IFSCA**" shall have the meaning as ascribed to it in Paragraph 2 of the Preamble to these Bye-Laws.

24. "**Netting**" means the determination by the Bullion Clearing Corporation of net payment or delivery obligations of the Bullion Clearing Members of the Bullion Clearing Corporation by setting off or adjustment of the inter-se obligations or claims arising out of Bullion Depository Receipts, and shall have the meaning assigned to term in the Bullion Exchange Regulations, as amended from time to time.

25. "**Novation**" means the act of a Bullion Clearing Corporation interposing itself between both parties of every trade, being the legal counterparty to both.

26. "**Operating Guidelines**" shall mean the Operating Guidelines on Bullion Exchange, Bullion Clearing Corporation, Bullion Depository and Vault Manager issued by IFSCA vide Circular F. No. 415/ IFSCA/ Consolidated Operating Guidelines/ 2021-22 dated August 25, 2021, as amended from time to time and all circulars, guidelines and/or directions issued/ may be issued by the IFSCA and / or Central Government from time to time, with respect to any of the matters under the Operating Guidelines.

27. "**Receiving Member**" means a Bullion Clearing Member who has to receive or has received documents as required for delivery in fulfillment of Bullion Contracts to which these Rules, Bye-Laws and Regulations apply unless the context indicates otherwise.

28. "**Regulations**" unless the context indicates otherwise, includes business rules, code of conduct and such other regulations prescribed by the Relevant Authority from time to time for the operations of the Bullion Clearing Corporation and these shall be subject to the provisions of the IFSCA Act and rules and regulations made thereunder by IFSCA and / or Central Government thereunder and the Bullion Exchange Regulations and circulars or guidelines or directions issued by the IFSCA and / or Central Government thereunder.

29. "**Relevant Authority**" means the Board or such other authority/ committee of the Bullion Clearing Corporation as specified by the Board from time to time as relevant for a specified purpose.

30. "**Rules**", unless the context indicates otherwise, means the rules of the Bullion Clearing Corporation for the time being in force.

31. "**Securities**" means various types of instruments as prescribed by the relevant authority from time to time.

32. "**Securities Law(s)**" shall mean all applicable laws governing the Bullion Clearing Corporation, its activities, Bullion Contracts, and includes Securities Contracts (Regulation) Act, 1956 and rules and regulations thereunder, Securities and Exchange Board of India Act, 1992 and rules, regulations, directions or guidelines thereunder, Securities and Exchange Board of India (International Financial Services Centres) Guidelines, 2015, IFSCA Act and rules and regulations made thereunder by IFSCA and / or Central Government thereunder and the Bullion Exchange Regulations and circulars or guidelines or directions issued by the IFSCA and / or Central Government thereunder the International Financial Services Centres Authority (Market Infrastructure Institutions) Regulations 2021 and rules and regulations made thereunder by IFSCA and / or Central Government, and all rules, regulations, instructions, orders, circulars, guidelines and/or directions issued/ may be issued by the IFSCA and / or Central Government and /or any other regulator with respect to regulation of financial products, financial services and financial institutions that are permitted in the International Financial Services Centres / IFSC are concerned, from time to time and all other applicable laws governing the Bullion Clearing Corporation and its activities in the IFSC.

33. "**Settlement Guarantee Fund**" means a fund established by the Bullion Clearing Corporation in terms of the Bullion Exchange Regulations to guarantee the settlement of trades executed on the Bullion Exchange and maintained in accordance with the relevant provisions of the Bye-Laws.

34. "**Vaults**" mean any premises wherein the Vault Manager takes custody of the Bullion deposited by the Depositor and includes a place for storage as approved by the IFSCA and shall have the meaning assigned to term in the Bullion Exchange Regulations, as amended from time to time;

35. "**Vaulting Business**" means the business of establishing and maintaining Vaults for storage of Bullion and shall have the meaning assigned to term in the Bullion Exchange Regulations, as amended from time to time;

36. "**Vault Manager**" means a person, registered by the IFSCA who manages the Vault empanelled by a Bullion Depository for carrying on the Vaulting Business and shall have the meaning assigned to term in the Bullion Exchange Regulations, as amended from time to time;

Any of the capitalised terms used herein and also defined in the Securities Laws including Bullion Exchange Regulations shall have the meaning as given above / so assigned to the respective terms in those legislations, and shall be deemed to be so amended as per any amendment in the respective Securities Laws including Bullion Exchange Regulations, from time to time. Words, terms and abbreviations, not defined herein but used, shall have the meaning assigned to those terms in the Securities Laws.

CHAPTER III

COMMITTEE

Various Committee(s) shall be formed by the Board/Relevant Authority in such manner as may be prescribed by the IFSCA from time to time.

1. The composition, quorum and functions of the committees shall be in the manner as specified by the IFSCA.

2. Additional committee(s) shall be appointed by the Board for the purposes of managing the day to day affairs of the Bullion Clearing Corporation in such manner as laid down in the Rules.

3. The Committee(s) of the Bullion Clearing Corporation shall have such responsibilities and powers as maybe delegated to it by the Board as provided for in the Rules, and as provided in the Securities Laws.

CHAPTER IV

REGULATIONS

1. The Board may prescribe Regulations from time to time for the functioning and operations of the Bullion Clearing Corporation and to regulate the functioning and operations of the Bullion Clearing Members.

2. Without prejudice to the generality of the above, the Board may prescribe regulations from time to time, inter alia, with respect to :

(1) norms, procedures, terms and conditions for admission of Bullion Exchanges;

(2) norms, procedures, terms and conditions to be complied with for admission of Deals for Clearing and Settlement by the Bullion Clearing Corporation;

(3) norms, procedures, terms and conditions for Clearing and Settlement of Deals, forms and conditions of Deals to be entered into, and the time, mode and manner for performance of Deals between Bullion Clearing Members inter se or between Bullion Clearing Members and their Constituents;

(4) norms, procedures, terms and conditions for admission of Bullion Depository;

(5) norms, procedures, terms and conditions for guaranteed settlement prescription, from time to time, and administration of penalties, fines and other consequences, including suspension /expulsion of Bullion Clearing Members for defaults;

(6) norms, procedures, terms and conditions for imposition and administration of different types of margins and other charges and restrictions that may be imposed from time to time.

(7) norms, procedures, terms and conditions for admission, continuance as members and surrender of membership rights of Bullion Clearing Members/ Clearing Banks;

(8) norms, procedures, terms and conditions for empaneling and availing services of Bullion Depository and Vaults for the purpose of deposit and physical delivery of Bullions;

(9) determination from time to time, of fees, system usage charges, deposits, margins and other monies payable to the Bullion Clearing Corporation by Bullion Clearing Members and the scale of clearing and other charges that may be collected by such Bullion Clearing Members;

(10) supervision of the clearing operations and promulgation of such business rules and codes of conduct as it may deem fit;

(11) maintenance of records and books of accounts by the Bullion Clearing Corporation as may be specified by IFSCA;

(12) inspection and audit of records and books of accounts;

(13) settlement of disputes, complaints, claims arising between Bullion Clearing Members inter-se as well as between Bullion Clearing Members and persons who are not Bullion Clearing Members relating to any deal in Bullion Contracts cleared and settled through Bullion Clearing Corporation including settlement by arbitration;

(14) adopt / act in furtherance of broader principles of governance prescribed by International Organization of Securities Commissions (IOSCO) and principles for Financial Market Infrastructures (FMI) and such other governance norms as may be specified by the IFSCA, from time to time;

(15) adopt / act in furtherance of the International Financial Services Centres Authority (Market Infrastructure Institutions) Regulations, 2021 (to the extent applicable) or under any other regulation, rules, instructions, orders, circulars, guidelines and/or directions issued/ may be issued by the IFSCA, from time to time;

(16) adopt / act in furtherance of the Operating Guidelines, as amended from time to time;

(17) directions / guidance/ parameters every director and key management personnel of the Bullion Clearing Corporation to abide by the Code of Ethics and Conduct specified by the IFSCA;

(18) providing / communicating reference to the IFSCA for any failure by the directors or key management personnel to abide by the Bullion Exchange Regulations or Code of Ethics and conduct or in case of any conflict of interest, and to act upon the direction issued by the IFSCA wherein the IFSCA may take any action including removal or termination of the appointment of any director or key management personnel;

(19) segregation of its Regulatory Departments from other departments in the manner specified by the IFSCA;

(20) appointment of a compliance officer who shall be responsible for monitoring the compliance of the Bullion Exchange Regulations, or circulars or guidelines or directions issued by the IFSCA and for the redressal of Constituents' grievances, and the manner of immediate and independent reporting of non-compliance thereof by the compliance officer to the IFSCA;

(21) put in place an adequate monitoring mechanism to ensure compliance with the shareholding conditions specified in the Bullion Exchange Regulations, at all times;

(22) norms, procedures, terms and conditions for arbitration;

(23) administration, maintenance and investment of the corpus of the Fund(s) set up by the Bullion Clearing Corporation;

(24) establishment, norms, terms and conditions, functioning and procedures of clearing through Depository or other arrangements including custodial services for Clearing and Settlement;

(25) norms, procedures, terms and conditions in respect of, incidental to or consequential to closing out of Deals;

(26) utilization of profits and investments by the Bullion Clearing Corporation in accordance with the norms specified by the IFSCA;

(27) carry on any other activity whether involving deployment of funds or otherwise after prior approval of the IFSCA;

(28) treasury investments if such investments are as per the investment policy approved by the Board of Bullion Clearing Corporation;

(29) engage in activities involving deployment of funds or otherwise, that are unrelated or not incidental to its activity as a Bullion Clearing Corporation through a separate legal entity and subject to approval of the IFSCA;

(30) norms, procedure and a policy framework for equal, fair, transparent and non-discriminatory access to all persons while Clearing and Settlement of trades executed on shareholder Bullion Exchange(s) and executed on non-shareholder Bullion Exchange(s), and disclosure of the said framework to be made available on the website and to provide the basis on which access to clearing and settlement services of the Bullion Clearing Corporation has been provided to shareholder Bullion Exchange(s) along with the manner in which the said requirements should be complied with by non-shareholder Bullion Exchange(s) to obtain access to clearing and settlement services;

(31) ensure equal, unrestricted, transparent and fair access to all persons without any bias towards its associates and related entities;

(32) maintenance of a website or any other universally accessible repository of electronic information to: (1) publish all information that it is obliged to publish under the Bullion Exchange Regulations; (2) provide a copy of all rules, regulations, bye-laws made and all guidance issued, including all amendments therein; (3) provide information about the manner in which applications to be made for membership or association; and (4) provide material information about the functions;

(33) norms, procedures, terms and conditions for administration, maintenance and contribution in the corpus of the fund(s) set up by the Bullion Clearing Corporation including Settlement Guarantee Fund as may be specified by the IFSCA;

(34) dissemination of information and announcements;

(35) prescribe norms for all its directors, key managerial personnel and material shareholders for being fit and proper persons, at all times, and to comply with the norms prescribed by the IFSCA / Bullion Exchange Regulations from time to time;

(36) furnish returns and statements and such particulars, as the IFSCA may, from time to time, require;

(37) payment of regulatory fee as may be specified by the IFSCA;

(38) norms and procedures in respect of, incidental or consequential to closing out of contracts,

deals or transactions;

(39) any other matter as maybe decided by the Board or directed by the IFSCA to further / adopt any requirements of the Bullion Exchange Regulations.

CHAPTER V

BULLION CLEARING MEMBERS

1. The Relevant Authority is empowered to admit Bullion Clearing Members in accordance with Rules and Regulations subject to the minimum financial requirements and qualification criteria as prescribed under the Bye-Laws, Rules or Regulations framed from time to time or as may be prescribed by the IFSCA from time to time under the Securities Laws including the Operating Guidelines. Such Bullion Clearing Members shall pay such fees, security deposits and other monies as may be specified by the Relevant Authority from time to time, on admission as Bullion Clearing Members and for continued admission.

2. Eligible foreign entities seeking to become Bullion Clearing Member shall in addition to the condition specified herein comply with the requirements as may be laid down under the Bye-Laws, Rules or Regulations framed by the Board/ Relevant Authority from time to time or as may be specified by IFSCA from time to time for appointment as a Bullion Clearing Member or applicable under the Securities Laws.

3. The fees, security deposits, other monies and any additional deposits paid, whether in the form of cash, bank guarantee, securities or otherwise, with the Bullion Clearing Corporation, by a Bullion Clearing Member from time to time, shall be subject to a first and paramount lien for any sum due to the Bullion Clearing Corporation and all other claims against the Bullion Clearing Member for due fulfilment of engagements, obligations and liabilities of Bullion Clearing Members arising out of or incidental to any dealings made subject to the Bye-Laws, Rules and Regulations of the Bullion Clearing Corporation. The Bullion Clearing Corporation shall be entitled to adjust or appropriate such fees, deposits and other monies for such dues and claims, to the exclusion of the other claims against the Bullion Clearing Member, without any reference to the Bullion Clearing Member. The proceeds arising out of invocation of the bank guarantees furnished by the Bullion Clearing Member in lieu of security deposits or additional deposits, on being invoked by the Bullion Clearing Corporation, shall not be reckoned as part of the Bullion Clearing Member’s deposits for the purpose of exposure, etc., unless the Bullion Clearing Member complies with the conditions imposed by the Relevant Authority from time to time. The proceeds from invoking the bank guarantees shall be dealt with by the Bullion Clearing Corporation as it may deem fit.

4. Bullion Clearing Members may clear and settle Deals either on their own account or on behalf of their Constituents unless otherwise specified by the Relevant Authority and subject to such terms and conditions which the Relevant Authority may prescribe from time to time.

5. The renewal, suspension and/or cancellation of membership of a Bullion Clearing Member and/or prescription and administration of penalties, fines and other consequences from time to time, for defaults or violation of any requirements shall be as specified under the Securities Law including the Operating Guidelines and/or as may be prescribed by IFSCA/ Relevant Authority from time to time.

6. On cessation of clearing membership right of a Bullion Clearing Member, all security deposits and monies not applied under the Rules, Bye-laws and Regulations of the Bullion Clearing Corporation, shall at the cost of the Bullion Clearing Member be returned and/or transferred either to it or as it shall direct or in absence of such direction to its legal representatives/successors/assignees. For the

purpose of ascertaining legal representatives/successors/assignees, the Relevant Authority shall prescribe such course of action to be taken by the concerned person(s) as it may in its absolute discretion and in the interest of the Bullion Clearing Corporation, deem fit and proper.

CHAPTER VI

CLEARING AND SETTLEMENT OF DEALS

A. DEALS FOR CLEARING AND SETTLEMENT

1. Clearing and Settlement of Deals

(1) The Bullion Clearing Corporation shall clear and settle such Deals as provided in the Bye-Laws and Regulations and save as so provided, no other Deals shall be Cleared and Settled.

(2) Without prejudice to the generality of the above, the Relevant Authority may in its discretion and subject to such conditions as it may deem fit admit any other Deals.

(3) Every Bullion Trading Member of the Bullion Exchange will be required to operate through a Bullion Clearing Member to settle their trades through the Bullion Clearing Corporation.

2. Identification of Deals

(1) Clearing and Settlement shall be permitted on the Bullion Clearing Corporation in Deals which are from time to time permitted by the Relevant Authority in accordance with the provisions of the Bye-Laws and Regulations.

(2) The Relevant Authority may specify Bullion Exchanges from time to time dealings on which may be permitted for Clearing and Settlement in accordance with the provisions of the Bye-Laws and Regulations and the Bullion Clearing Corporation shall enter into an agreement in writing with such specified Bullion Exchange in the form and manner specified by the Board/ Relevant Authority/ IFSCA.

3. Conditions and requirements of Clearing and Settlement

The Relevant Authority may permit Clearing and Settlement of Deals dealt in the Bullion Exchange provided all the conditions and requirements specified in the Bye-Laws and Regulations and such other conditions and requirements as the Relevant Authority may prescribe from time to time are complied with.

4. Refusal of Deals

The Relevant Authority may, in its discretion, approve or reject Clearing and Settlement of any Deal, subject to such terms as it deems fit.

5. Specific Deals

The Relevant Authority may permit in appropriate cases as it may at its discretion decide from time to time specific Deals to be Cleared and Settled through the Bullion Clearing Corporation in case of Deals which are not permitted or are for the time being prohibited or suspended.

6. Suspension of Deals

The Relevant Authority may suspend at any time Clearing and Settlement of any Deals on Bullion Clearing Corporation for such period as it may determine and reinstate such Deals subject to such conditions as it may deem fit.

7. Withdrawal of Deals

The Relevant Authority may where it deems necessary withdraw the permission for Clearing and

Settlement of dealings of a Bullion Exchange either for breach of or non-compliance with any of the conditions or requirements of admission of dealings or for any other reason whatsoever.

8. Reapproval of Deals

The Relevant Authority in its discretion may reapprove Deals of a Bullion Exchange which has been previously withdrawn.

B. CLEARING AND SETTLEMENT OF DEALS

9. Clearing and Settlement

Settlement shall be effected by Bullion Clearing Members giving and receiving delivery and paying and receiving funds as may be specified by the Relevant Authority from time to time in the Bye-Laws and Regulations. The Bullion Clearing Corporation shall settle the trades executed on the Bullion Exchange by transferring Bullion Depository Receipt and funds to the buyer and seller of Bullion Depository Receipts, respectively, in the manner as may be prescribed by IFSCA/ Relevant Authority from time to time.

9(A). Settlement Finality

i. The payment and settlement in respect of a Deal shall be determined in accordance with the Securities Law including the Operating Guidelines and/or as may be specified by IFSCA from time to time.

ii. Payment and settlement in respect of a Deal shall be final, irrevocable and binding on the Bullion Clearing Members.

iii. When a settlement has become final and irrevocable, the right of the Bullion Clearing Corporation to appropriate any collaterals or deposits or margins contributed by the Bullion Clearing member towards its settlement or other obligations in accordance with these Bye-Laws shall take priority over any other liability of or claim against the said Bullion Clearing Member.

iv. For removal of doubts, it is hereby declared that the settlement, referred to in Clause (i) above is final and irrevocable as soon as the money, Bullion Contracts or other transactions payable as a result of such settlement is determined, whether or not such money, Bullion Contracts or other transactions is actually paid.

v. For removal of doubts, it is hereby declared that claims and obligations arising out of the termination by the Bullion Clearing Corporation referred to in clause (iv) above shall mean claims and obligations arising out of Deals closed out in accordance with these Bye-Laws.

9 (B). Right of Bullion Clearing Corporation

The right of Bullion Clearing Corporation to recover the dues from its Bullion Clearing Members, arising from the discharge of their Clearing and Settlement functions, from the collaterals, deposits and the assets of the Bullion Clearing Members, shall have priority over any other liability of or claim against the Bullion Clearing Members.

10. Privity of Contract

i. Except as provided herein, Bullion Clearing Members giving and receiving delivery as provided in the Bye-Laws and Regulations shall be deemed, notwithstanding that no direct contract may exist between them, to have made a contract with each other as sellers and buyers. However the rights and liabilities of Delivering Member and Receiving Member in relation to their immediate contracting party shall not be deemed to be affected thereby except that the selling member (unless he be himself the Delivering Member) shall be released from all responsibility in regard to the title, ownership, genuineness, regularity and validity of the documents received by the Receiving Member and in regard to the loss and damages arising therefrom, which shall be dealt with in accordance with the provisions of Bye-Laws and Regulations thereof.

ii. In cases where the Bullion Clearing Corporation may specify either generally or specifically, Bullion Clearing Members giving and receiving delivery and paying and receiving funds as provided in the Bye-Laws and Regulations shall be deemed, notwithstanding that no direct contract exists between them, to have made a contract with the Bullion Clearing Corporation through full Novation as sellers and buyers and between themselves as Delivering Member and Receiving Members; provided further however that in such event the rights and liabilities of Delivering Member and Receiving Member shall not be deemed to be affected thereby except that the Bullion Clearing Corporation shall not be responsible in respect of the title, ownership, genuineness, regularity and validity of the documents delivered or received and in regard to the loss and damages arising therefrom, which shall be dealt with in accordance with the provisions of Bye-Laws and Regulations.

iii. Notwithstanding anything contained above, the Bullion Clearing Corporation may specify either generally or specifically, where Bullion Clearing Members Clearing and Settling deals as provided in the Bye-Laws and Regulations shall be deemed, notwithstanding that no direct contract exists between them, to have made a contract between themselves as buyers and sellers and where such contract shall be submitted with the Bullion Clearing Corporation as the buyer to the seller and as the seller to the buyer.

11. Arrangement for Clearing and Settlement

i. Clearing and Settlement of deals shall be effected by Bullion Clearing Members by adopting and using such arrangements, systems, agencies or procedures as may be specified by the Relevant Authority from time to time. Without prejudice to the generality of the above, the Relevant Authority may prescribe or specify from time to time such custodial, depository and other services for adoption and use by Bullion Clearing Members and their Constituents to facilitate smooth operation of the Clearing and Settlement arrangement or system.

ii. The Clearing and Settlement function may be performed by the Bullion Clearing Corporation or it may take assistance of any agency identified by the Relevant Authority for the purpose.

12. Settlement Account

Bullion Clearing Member to open settlement accounts with banking units at IFSC for holding margins on behalf of Bullion Trading Members of the Bullion Exchange and relevant payments, in such manner and subject to such terms and conditions as are specified under the Securities Law including the Operating Guidelines and/or as may be prescribed by IFSCA from time to time, and the process of settlement/ settlement account as provided therein shall be adhered to.

13. Operational Parameters for Clearing

i. The Relevant Authority may determine and announce from time to time operational parameters regarding clearing of Deals through the Bullion Clearing Corporation which the Bullion Clearing Members shall adhere to.

ii. The operational parameters may, inter alia, include:

A. clearing/exposure limits allowed which may include clearing/exposure limits with reference to net worth and capital adequacy norms;

B. clearing volumes and limits at which it will be incumbent for Bullion Clearing Members to intimate the Bullion Clearing Corporation;
C. fixation of delivery lots for different settlement types;
D. other matters which may affect smooth operation of clearing of Deals keeping in view larger interest of the public;
E. determining types of Deals permitted for a Bullion Clearing Member and for a security;
F. determining functional details of the Clearing and Settlement system including the system design, user infrastructure and system operation.

14. Clearing Hours

i. The hours for Clearing and Settling of the Bullion Clearing Corporation shall be during such time as may be decided by the Relevant Authority from time to time. The Relevant Authority may, from time to time, specify clearing hours for different types of Deals.

ii. The Relevant Authority may declare a list of holidays in a calendar year. The Relevant Authority may from time to time alter or cancel any of the holidays fixed in accordance with these provisions. It may, for reasons to be recorded, suspend Clearing and Settlement operations on days other than or in addition to holidays.

iii. The Relevant Authority may, for reasons to be recorded, close the Bullion Clearing Corporation on the market closure days other than or in addition to holidays.

iv. The Relevant Authority may reduce, extend or otherwise alter the time of clearing hours of the Bullion Clearing Corporation on any particular day.

15. Delivery of Bullion Contracts

i. Delivery and settlement of all Bullion Contracts, documents and papers and payment in respect of all Deals be in such manner and such place(s) as may be specified by the Relevant Authority from time to time.

ii. The Relevant Authority shall specify from time to time, the Bullion Contracts, documents and papers which, when delivered in specified manner, shall constitute good delivery. Where circumstances so warrant, the Relevant Authority may determine, for reasons to be recorded, whether or not a delivery constitutes a good delivery, and such findings shall be binding on parties concerned. Where the Relevant Authority determines that a delivery does not constitute a good delivery, the delivering party shall be required to substitute good delivery instead within such time as may be specified.

iii. The norms and procedures for delivery with respect to delivery lot shall be as specified by the Relevant Authority from time to time.

iv. The requirements and procedures for determining disputed deliveries or defective deliveries, and measures, procedures and system of resolving the dispute or defect in deliveries or of consequences of such deliveries or their resolution shall, subject to these Bye Laws, be as specified by the Relevant Authority from time to time.

v. The Bullion Clearing Corporation to enter into an agreement with the Bullion Depository in the form and manner as may be specified by the IFSCA.

16. Transfer of Position

A deal admitted for Clearing and Settlement may be transferred to another non defaulting Bullion Clearing Member with his consent on the failure of a Bullion Clearing Member to comply with any of the provisions relating to delivery, payment and settlement of Deals or on any failure to fulfil the terms and conditions subject to which the Deal has been made, or such other circumstances as the Relevant Authority may specify from time to time. The Deal may be transferred to another non defaulting Bullion Clearing Member by the Bullion Clearing Corporation in such manner, within such time frame, and subject to such conditions and procedures as the Relevant Authority may prescribe from time to time

17. Close-Out

i. A Deal admitted for Clearing and Settlement may be closed out on failure of a Bullion Clearing Member to comply with any of the provisions relating to delivery, payment and settlement of Deals or on any failure to fulfil the terms and conditions subject to which the Deal has been made, or such other circumstances as the Relevant Authority may specify from time to time. The Deal may be closed out by the Bullion Clearing Corporation in such manner, within such time frame and subject to such conditions and procedures as the Relevant Authority may prescribe from time to time.

ii. Without prejudice to the generality of the foregoing, the Relevant Authority may close out Deals, inter alia, by buying in or selling out against a Bullion Clearing Member as follows:-
   A. in case of the selling Bullion Clearing Members, on failure to complete delivery on the due date; and
   B. in case of the buying Bullion Clearing Members, on failure to pay the amount due on the due date;
   C. and any loss, damage or shortfall sustained or suffered as result of such closing out shall be payable by the Bullion Clearing Members who failed to give due delivery or to pay amount due.

iii. In case of default by a Bullion Clearing Member to the Bullion Clearing Corporation arising out of the positions the Relevant Authority shall be entitled to close-out the positions of a Bullion Clearing Member.

iv. The Bullion Clearing Corporation shall be entitled to hold the positions in its own name, either fully or part thereof in the above clause till expiry at its discretion subject to such terms and conditions as it may deem fit.

18. Failure to Meet Obligations

In the event a Bullion Clearing Member fails to meet obligations to the Bullion Clearing Corporation arising out of Clearing and Settlement operations of admitted Deals, the Relevant Authority may charge such interest, impose such penalties (including in case of shortage of funds or shortage of physical Bullion) and fines and take such disciplinary action against the Bullion Clearing Member as it may determine from time to time. Any disciplinary action which the Relevant Authority takes pursuant to the above shall not affect the obligations of the Bullion Clearing Member to the Bullion Clearing Corporation or any remedy to which the Bullion Clearing Corporation may be entitled under applicable law.

19. Risk Management System

The Bullion Clearing Corporation may, at its discretion or as may be required under the Bullion Exchange Regulations/ Securities Law including the Operating Guidelines, build a robust clearing and settlement and risk management framework which is in line with the principles and responsibilities contained in the Principles for Financial Market Infrastructures (PFMIs) and the implementation of which is monitored by Committee on Payments and Market Infrastructures (CPMI) and International Organization of Securities Commission (IOSCO), or such other principles/ norms as may be specified by IFSCA from time to time.

The Bullion Clearing Corporation may, at its discretion or as may be required under the Bullion Exchange Regulations/ Securities Law including the Operating Guidelines, have a sound risk management system and infrastructure for comprehensively managing risks.

20. Business Continuity Plan

The Bullion Clearing Corporation may, as may be required under Securities Law including the Operating Guidelines, put in place adequate business continuity plan as may be specified by the IFSCA from time to time.

CHAPTER VII

DEALINGS BY BULLION CLEARING MEMBERS

1. Jurisdiction

(1) All Deals admitted by the Bullion Clearing Corporation for Clearing and Settlement shall be deemed to have been entered into in IFSC unless provided otherwise expressly by the Relevant Authority.

(2) The Relevant Authority may, from time to time, specify Deals as subject to a particular jurisdiction, having regard to the type or nature of the Deal, the Bullion Exchange on which the Deal was struck and other relevant factors.

2. Record for evidence

The record as maintained by a central processing unit or a cluster of processing units or computer processing units, whether maintained in any other manner shall constitute the agreed and authentic record in relation to any Deals cleared and settled through the Bullion Clearing Corporation. For the purposes of any disputes regarding Clearing and Settlement of Deals, the records as maintained by the Bullion Clearing Corporation shall constitute valid evidence in any dispute or claim between the Constituents and the Bullion Clearing Member or between the Bullion Clearing Members inter-se or between the Bullion Clearing Members and the Bullion Clearing Corporation.

3. Bullion Clearing Member only parties to Deals

The Bullion Clearing Corporation does not recognise as parties to Deals any persons other than its own Bullion Clearing Members, and every Bullion Clearing Member is directly and wholly liable in accordance with whom such Bullion Clearing Member has any Deal for due fulfilment of the Deal or as may be specified by the Relevant Authority, whether such Deal be for account of the Bullion Clearing Member effecting it or for account of a Constituent.

4. All Deals subject to Rules, Bye-Laws and Regulations

All Deals shall be made subject to the Rules, Bye-Laws and Regulations and this shall be a part of the terms and conditions of all such Deals and the Deals shall be subject to the exercise by the Relevant Authority of the powers with respect thereto vested in it by the Bye-Laws, Rules and Regulations of the Bullion Clearing Corporation.

5. Inviolability of Admitted Deals

All the dealings in Bullion Contracts made subject to the Bye-Laws, Rules and Regulations shall be in-violable and shall be Cleared and Settled in accordance with the Bye-Laws, Rules and Regulations. However, the Bullion Clearing Corporation may act on the annulment of a Deal by any Bullion Exchange and in such an event, the Bullion Clearing Member shall be entitled to cancel the relevant Deal(s) with its Constituents.

6. Deals by representative Bullion Clearing Members

A Bullion Clearing Member may authorise another Bullion Clearing Member to act as his representative for a specified period with the prior permission of the Relevant Authority.

7. Exclusion of liability of Bullion Clearing Corporation

The Bullion Clearing Corporation shall not be liable for any activity of Bullion Clearing Member or any person acting in the name of the Bullion Clearing Member whether authorized or unauthorized including Deals Cleared and Settled through the Bullion Clearing Corporation save and except as and to the extent provided in the Bye-Laws and Regulations.

CHAPTER VIII

MARGINS

1. Margining Framework

The Bullion Clearing Corporation shall develop a margining framework which shall be compliant with CPMI- IOSCO Principles for Financial Market Infrastructures and/or such other principles as may be specified by IFSCA from time to time including under the Operating Guidelines.

2. Margin Requirements

(1) The Relevant Authority may from time to time prescribe requirements of margins, including collection of margins from constituents on an upfront basis, for Deals Cleared and Settled through the Bullion Clearing Corporation and the Bullion Clearing Member shall furnish such margin as a condition precedent.

(2) Without prejudice to clause (1) above, the Relevant Authority may provide cross margin benefit for Deals Cleared and Settled through the Bullion Clearing Corporation for such positions subject to such terms and conditions as may be prescribed from time to time.

(3) Every Bullion Clearing Member has a continuing obligation to maintain margins at such levels and during such periods as may be stipulated by the Bullion Clearing Corporation from time to time. Out of the margins so required to be deposited and maintained by a Bullion Clearing Member, margins deposited by Bullion Clearing Members on their own account and on behalf of their Constituents or the Bullion Trading Member of a Bullion Exchange, shall be segregated by the Bullion Clearing Corporation in such manner as it may deem fit.

(4) The Bullion Clearing Corporation may, at its discretion or as may be required under the Securities Law including the Operating Guidelines, develop an appropriate model to calculate the margins for trading on the Bullion Exchange.

3. Form of Margin

The margins to be provided by a Bullion Clearing Member under the Bye-Laws and Regulations shall be in cash and cash equivalents or such other form as may be specified by IFSCA including under the Operating Guidelines.

4. Quantum of Margin

The Bullion Clearing Member depositing margins, in the form of securities by way of pledge or otherwise or in such other mode as may be specified by the Relevant Authority from time to time, shall always maintain the value thereof at not less than the quantum of margin required for the time being covered by them by providing further security to the satisfaction of the Relevant Authority which shall determine the said value and whose valuation shall conclusively fix the amount of any deficiency to be made up from time to time.

5. Margin to be held by the Bullion Clearing Corporation

The margins shall be held by the Bullion Clearing Corporation and when they are in the form of bank deposit receipts and securities, such receipts and securities may be transferred to such persons or to the name of a custodian or such other entity approved by the Bullion Clearing Corporation. All margin deposits shall be held by the Bullion Clearing Corporation and/or by the approved persons and/or by the approved custodian in such form and on such account as the Bullion Clearing Corporation may deem fit without any right whatsoever on the part of the depositing Bullion Clearing Member or those in its right to call in question the exercise of such discretion.

6. Lien on Margins

The monies paid by way of margin or bank deposit receipts or other securities or assets pledged or hypothecated by a Bullion Clearing Member in lieu of margin under the provisions of the Bye-Laws and Regulations shall be subject to a first and paramount lien for all sums due to the Bullion Clearing Corporation. Margin shall be available in preference to all other claims against the Bullion Clearing Member for the due fulfilment of his obligations and liabilities arising out of or incidental to any deals made subject to the Bye-Laws, Rules and Regulations or anything done in pursuance thereof.

7. Utilisation for failure to meet obligations

(1) In the event a Bullion Clearing Member fails to meet obligations to the Bullion Clearing Corporation arising out of Clearing and Settlement operations of such Deals as provided in the Bye-Laws and Regulations, the Relevant Authority shall be entitled to utilise any amount paid by the said Bullion Clearing Member in the form of margin or any other payment retained by the Bullion Clearing Corporation for the purpose of Clearing and Settlement.

(2) In case of default by a Bullion Clearing Member to the Bullion Clearing Corporation arising out of the positions, the Relevant Authority shall be entitled to utilise the margins or any other monies of such a Bullion Clearing Member in order to meet the obligations arising out of such positions.

8. Evasion of margin requirements forbidden

A Bullion Clearing Member shall not directly or indirectly enter into any arrangement or adopt any procedure for the purpose of evading or assisting in the evasion of the margin requirements specified under the Bye-Laws and Regulations.

9. Suspension on failure to pay margin

If a Bullion Clearing Member fails to pay margin as required in the Bye-Laws and Regulations, the Relevant Authority may take such action as it may deem fit and specify from time to time including suspension.

10. Fees and Charges

The Relevant Authority may prescribe from time to time fees, charges and recoveries to be levied on the Bullion Clearing Members in respect of Clearing and Settlement of Deals and in respect of any dues payable by such Bullion Clearing Member to the Bullion Clearing Corporation.

CHAPTER IX

RIGHTS, DUTIES AND LIABILITIES OF THE BULLION CLEARING MEMBERS AND CONSTITUENTS

1. Rights and obligations of Bullion Clearing Members

The rights and obligations of Bullion Clearing Members shall be as specified from time to time by the Relevant Authority and/or by IFSCA including under the Operating Guidelines.

2. Margin from Constituents

The Bullion Clearing Member shall have the right to demand from its Constituent the margin he has to provide under the Rules, Bye-Laws and Regulations in respect of the business done by him for such Constituent. The Bullion Clearing Member shall also have the right to demand an initial margin in cash or the substitute for cash from its Constituent/s before undertaking to clear his obligations and to stipulate that the Constituent shall pay margin or furnish additional margin according to changes in market prices. The Constituent shall be bound to comply with the directions of the Bullion Clearing Member, when called upon to do so as required under the Rules, Bye-Laws and Regulations of the Bullion Clearing Corporation.

3. Constituent in default

The Bullion Clearing Member shall not transact business directly or indirectly for a Constituent who to its/his knowledge is in default to another Bullion Clearing Member unless such Constituent shall have made an arrangement satisfactory to the Bullion Clearing Member proposing to act for such constituent that such Constituent has or shall settle the claim of the Bullion Clearing Member who is his creditor.

4. Closing-Out of Constituent’s account

Unless otherwise prescribed by the Relevant Authority from time to time, at the time of closing-out the account of a Constituent, the Bullion Clearing Member may assume or take over such Deal(s) to its/his own account as a principal at prices which are fair and justified by the condition of the market or it/he may close-out in the open market and any expense incurred or any loss arising therefrom shall be borne by the Constituent.

5. Bullion Clearing Member not liable to attend to registration of transfer

Unless otherwise prescribed by the Relevant Authority from time to time, a Bullion Clearing Member shall not be deemed to be under any obligation to attend to the transfer of Bullion Contract and the registration thereof in the name of the Constituent. If it attends to such work in the ordinary course or at the request or desire or by the consent of the Constituent it shall be deemed to be the agent of the Constituent in the matter and shall not be responsible for loss in transit or for the issuer's refusal to transfer or not be under any other liability or obligation other than that specifically imposed by the Rules, Bye-Laws and Regulations. The stamp duty, the transfer fees and other charges payable, delivery, logistics, transportation, the fee for attending to the registration of Bullion Contracts and all incidental expenses such as postage incurred by the Bullion Clearing Member shall be borne by the Constituent.

6. Closing-Out by Constituent on failure to perform a Deal

If the Bullion Clearing Member fails to complete the performance of a deal by delivery or payment in accordance with provisions of the Rules, Bye-Laws and Regulations the Constituent shall, after giving notice in writing to the Bullion Clearing Member, close out such Deal through any other Bullion Clearing Member as soon as possible and any loss or damages sustained as a result of such closing out shall be immediately payable by the defaulting Bullion Clearing Member to the Constituent. If the closing out be not effected as provided herein, the damages between the parties shall be determined on such basis as may be prescribed by the Relevant Authority from time to time and the Constituent and the Bullion Clearing Member shall forfeit all further rights of recourse against each other to the extent of the damages sustained by the aggrieved party.

7. Complaint by Constituent

When a complaint has been lodged by a Constituent with the Relevant Authority that any Bullion Clearing Member has failed to perform as per its/his instructions, the Relevant Authority shall investigate the complaint and if it is satisfied that the complaint is justified it may take such disciplinary action as it deems fit against the Bullion Clearing Member.

8. Relationship between the Bullion Clearing Member and Constituent

Without prejudice to any other law for the time being in force and subject to these Bye-Laws, the mutual rights and obligations inter se between the Bullion Clearing Members and their Constituents shall be such as may be prescribed by the Relevant Authority and/or IFSCA from time to time.

9. Closing-Out in the event of Bankruptcy/ Insolvency/Dissolution

A Bullion Clearing Member may close-out all open transactions on account of a Constituent or a Bullion Trading Member of a Bullion Exchange, becomes bankrupt or insolvent or makes or attempts to make a composition with its/his creditors or with any of them or who shall have given any admission or intimation or indication of the fact that it/he will be unable to fulfill its/his obligations or who in case of a firm undergoes dissolution.

10. Release of funds and Bullion Contract by Bullion Clearing Members

A Bullion Clearing Member shall make payout of funds and Bullion Contracts in such manner so as to ensure full and timely compliance of all relevant requirements in this regard as may be prescribed by IFSCA/ Bullion Clearing Corporation.

11. Confidentiality to be maintained

The Bullion Clearing Corporation shall maintain the details of the Constituents in confidence and it shall not disclose such details to any person / entity, except as required under the law or by any authority.

12. Transfer of some positions by Bullion Clearing Member

The Bullion Clearing Corporation may suo moto or on the application of a Constituent of a suspended or defaulter Bullion Clearing Member or and on such terms and conditions as the Bullion Clearing Corporation deems fit to impose, permit all or any open positions of the Bullion Clearing Member (whether on its/his own account or on account of its/his Constituent) or Constituent to be transferred to another Bullion Clearing Member who agrees to accept such open positions.

13. Segregation of Dues

The accounts of the Constituent of the Bullion Clearing Member, the Bullion Trading Members of Bullion Exchange for whom the Bullion Clearing Member is acting as a Bullion Clearing Member and the Clients of such Bullion Trading Members of Bullion Exchange, shall be segregated from each other and the amounts and assets standing to the debit and credit of a Bullion Clearing Member or a Constituent shall not be adjusted against the credit or debit of another Constituent or Bullion Clearing Member and one Client’s or Bullion Clearing Member’s funds or assets shall not be utilised for payment of another Constituent’s or Bullion Clearing Member’s dues. Obligations payable by a Bullion Clearing Member on its/his own account shall not be paid or met out of money / assets of a Constituent or Bullion Trading Members of Bullion Exchange. However, amounts or assets payable /deliverable to a Bullion Clearing Member (on its/his own account) by the Bullion Clearing Corporation may be applied for paying amounts /assets payable / deliverable by the Bullion Clearing Member or by any Constituent of the Bullion Clearing Member or any Bullion Trading Member of the Bullion Exchange (whose trades the Bullion Clearing Member had agreed to clear) or any Client of such Bullion Trading Members of the Bullion Exchange.

CHAPTER X

ARBITRATION

All claims, disputes, differences, arising between Bullion Clearing Members and Constituents or between Bullion Clearing Members inter se or between such other parties as specified by the Relevant Authority from time to time, arising out of or related to Deals admitted for Clearing and Settlement by the Bullion Clearing Corporation or with reference to anything done in respect thereto or in pursuance of such Deals shall be referred to and decided by arbitration, mediation and other dispute resolution mechanisms as may be prescribed by the IFSCA from time to time.

CHAPTER XI

SETTLEMENT GUARANTEE FUND

1. Bullion Clearing Corporation to Maintain Settlement Guarantee Fund

(1) The Bullion Clearing Corporation shall maintain Settlement Guarantee Fund (Fund) for such purposes as may be specified by the Relevant Authority from time to time. The Bullion Clearing Corporation shall have such a fund to guarantee the settlement of trades executed on the Bullion Exchange. In the event a Bullion Clearing Member fails to fulfil the settlement obligations, the Settlement Guarantee Fund shall be used to fulfil the settlement obligations of the Bullion Clearing Member.

(2) The Relevant Authority may prescribe from time to time the norms, procedures, terms and conditions governing Settlement Guarantee Fund which may inter-alia specify the amount of deposit or contribution to be made by each Bullion Clearing Member to the fund, the terms, manner and mode of deposit or contributions, conditions of repayment of deposit or withdrawal of contribution from the fund, charges for utilisation, penalties and disciplinary actions for non-performance thereof.

(3) Without prejudice to the generality of clause (2) above, the Relevant Authority shall be entitled to make regulations relating to norms, procedures and manner in respect of: (i) the management and administration of the Fund; (ii) the structure and composition of the Fund; (iii) the contributions to be made to the Fund by the Bullion Exchange, Bullion Clearing Members of the Bullion Clearing Corporation and others; (iv) investment of the Fund; (v) application of the Fund; (vi) persons who would be disentitled from receiving a benefit from the Fund; (vii) minimum value of funds in the Fund; (viii) the money and property to be paid to or received by the Relevant Authority; (ix) the application of the money and property paid to or received by the Relevant Authority including the order of priority in which they shall be applied; (x) the closing-out, adjustment, settlement and/or cancellation/annulment of contracts entered into by a Bullion Clearing Member with the defaulter.

2. Contribution towards Settlement Guarantee Fund

(1) The Settlement Guarantee Fund to have such minimum corpus as specified under the Operating Guidelines or as may be prescribed by the IFSCA from time to time. The Bullion Clearing Corporation to develop a framework for devising a stress test for assessing the size of the Settlement Guarantee Fund, as may be required under the Operating Guidelines or as may be prescribed by the IFSCA from time to time.

(2) The contribution to the Settlement Guarantee Fund shall be made by the Bullion Exchange, Bullion Clearing Corporation, Bullion Trading Members and Bullion Clearing Members subject to the Operating Guidelines and circulars/directions issued by IFSCA from time to time and as specified by Bullion Clearing Corporation. The Bullion Clearing Corporation and Bullion Clearing Members shall contribute such amount to the Settlement Guarantee Fund as may be specified by IFSCA from time to time.

(3) Bullion Clearing Corporation shall have the flexibility to collect Bullion Exchange, Bullion Clearing Member and Bullion Trading Members primary contribution either upfront or staggered over a period of time. In case of staggered contribution, the remaining balance shall be met by Bullion Clearing Corporation to ensure adequacy of Settlement Guarantee Fund corpus at all times. Such Bullion Clearing Corporation contribution shall be available to Bullion Clearing Corporation for withdrawal as and when further contributions from Bullion Clearing

Members are received;

(4) Any penalties levied by Bullion Clearing Corporation shall be credited to Settlement Guarantee Fund;

(5) Interest on cash contribution to Settlement Guarantee Fund shall also accrue to the Settlement Guarantee Fund and pro-rata attributed to the respective contributors in proportion to their cash contribution;

(6) Bullion Clearing Corporation shall ordinarily accept cash collateral for Settlement Guarantee Fund contribution. However, Bullion Clearing Corporation may accept contribution in the form of bank FDs. Bullion Clearing Corporation shall adhere to specific guidance which may be issued by IFSCA from time to time in this regard.

(7) The sufficiency of the corpus of the Settlement Guarantee Fund shall be tested by way of periodic stress tests, in the manner specified by IFSCA/ Relevant Authority from time to time.

3. Form of contribution

The Relevant Authority shall prescribe from time to time the form of contribution to the Settlement Guarantee Fund in accordance with the specification by the IFSCA in terms of the Bullion Exchange Regulations. The Relevant Authority in its discretion, may permit a Bullion Exchange, Bullion Clearing Members and Bullion Trading Members to contribute either in the form of cash, fixed deposit, or by such other method and subject to such terms and conditions as may be specified by the Relevant Authority from time to time.

4. Administration and utilisation of the Settlement Guarantee Fund

(1) The Bullion Clearing Corporation shall develop a framework for utilisation of the Settlement Guarantee Fund in the manner as provided under the Securities Laws including the Operating Guidelines and/or as specified by IFSCA from time to time. The Settlement Guarantee Fund shall be utilised for such purposes as may be provided in the Bye-Laws and Regulations and shall be in accordance with the Operating Guidelines and subject to such conditions as the Relevant Authority/ IFSCA may prescribe from time to time which shall include:

(a) to defray the expenses of creation, maintenance and repayment of the Settlement Guarantee Fund;

(b) investment in such approved securities and other avenues subject to such terms and conditions as may be decided by the Relevant Authority from time to time;

(c) the application of Settlement Guarantee Fund to meet premium on insurance cover(s) which the Relevant Authority may take from time to time;

(d) the application of Settlement Guarantee Fund to meet shortfalls and deficiencies arising out of the Clearing and Settlement of such deals as provided in the Bye-Laws and Regulations;

(e) the application of the Settlement Guarantee Fund to satisfy any loss or liability of the arising out of Clearing and Settlement operations of such deals as provided in these Bye-Laws and Regulations;

(f) repayment of the balance after meeting all obligations under these Rules, Bye Laws and Regulations to the Bullion Clearing Member or Bullion Trading Member when he ceases to be a member pursuant to the provisions regarding the repayment of deposit;

(g) any other purpose as may be specified by the Board from time to time.

(2) The Bullion Clearing Corporation shall have full power and authority to pledge, re-pledge, hypothecate, transfer, create a security interest in, or assign any or all of the Settlement Guarantee Fund cash or other instruments in which Settlement Guarantee Fund cash is invested

by the Bullion Exchange or the Bullion Trading Member or the Bullion Clearing Member in favour of the Bullion Clearing Corporation towards deposit to the Settlement Guarantee Fund.

5. Utilisation for failure to meet obligations

In the event a Bullion Clearing Member fails to meet obligations to the Bullion Clearing Corporation arising out of Clearing and Settlement operations of such Deals as provided in these Bye-Laws and Regulations, the Relevant Authority may utilise the Settlement Guarantee Fund and other monies to the extent necessary to fulfil the obligation under such terms and conditions as the Relevant Authority may specify from time to time.

Investment of Fund

(a) The Relevant Authority through the Bullion Clearing Corporation may:

(i) open, maintain, operate and close one or more bank accounts; and

(ii) invest the money of the Fund in such investments as are permissible for investing the funds and money of the Bullion Clearing Corporation and sell, transfer, vary, transpose and otherwise deal with such investments;

(b) All investments of the Fund may be held in the name(s) of, and all bank accounts of the Fund or may be held in the name(s) of and operated by, the Relevant Authority;

(c) The Relevant Authority shall be entitled to utilise the money of the Fund only for the purposes of the Fund.

Loss to Fund Investments

Any loss or diminution in value of the investments of the Fund from whatever cause arising, not being due to the willful default or fraud of any member(s) of the Relevant Authority, shall be borne by the Fund and the members of the Relevant Authority shall incur no responsibility or liability by reason of or on account thereof. In case of any such loss or diminution by reason of willful default or fraud by any member or members of the Defaulters' Committee, the persons committing the willful default or fraud shall be personally liable for the loss or diminution and other persons who are not parties to the willful default or fraud shall not be liable for the loss or diminution.

6. Utilisation in case of default

The default waterfall of Bullion Clearing Corporation shall generally follow the following order, unless otherwise provided under the Operating Guidelines:

(1) Monies of defaulting member (including defaulting member's primary contribution to Settlement Guarantee Fund).
(2) Insurance, if any.
(3) Bullion Clearing Corporation resources (equal to 5% of the MRC*).
(4) Settlement Guarantee Fund in the following order:
   (i) Penalties;
   (ii) Bullion Clearing Corporation contribution to the extent of at least 12.5% of the MRC

(iii) Remaining portion of Settlement Guarantee Fund: Bullion Clearing Corporation contribution, Bullion Exchange contribution and non-defaulting members' primary contribution to Settlement Guarantee Fund on pro-rata basis.

(iv) Any remaining loss to be covered by way of pro-rata haircut to payouts.

** The Relevant Authority shall specify from time to time the Minimum Required Corpus (MRC) of the Settlement Guarantee Fund of the Bullion Clearing Corporation in accordance with the norms prescribed by IFSCA from time to time.*

The liability of non-defaulting members towards additional contribution shall be limited to such amount as specified under the Securities Law including Operating Guidelines or as may be prescribed by IFSCA from time to time.

Post default if the Bullion Clearing Member fails to maintain the minimum funds in the Settlement Guarantee Fund, the Bullion Clearing Corporation shall be empowered to take such steps as may be specified under Securities Law including Operating Guidelines and/or as may be specified by IFSCA from time to time.

7. Refund of Settlement Guarantee Fund contribution

(1) A Bullion Clearing Member shall be entitled to the refund of contribution repayment of deposit made by him to the Settlement Guarantee Fund after-

(a) the Bullion Clearing Member ceases to be a member, and

(b) all pending Deals at the time the Bullion Clearing Member ceases to be a clearing member which could result in a charge to the Settlement Guarantee Fund have been closed and settled, and

(c) all obligations for which the Bullion Clearing Member was responsible while he was a member have been satisfied or, at the discretion of the Relevant Authority, have been deducted by the Bullion Clearing Corporation from the Bullion Clearing Member's actual contribution ;

(d) a suitable amount as may be determined by the Relevant Authority at its discretion towards such other obligations as may be perceived to exist or may be perceived to arise in future.

(2) The contribution made by the Bullion Exchange to the Settlement Guarantee Fund, shall be returned back to the Bullion Exchange in the following eventualities:

(a) Discontinuation of services of the Bullion Clearing Corporation;

(b) Discontinuation of activities as a Bullion Exchange by the Bullion Exchange;

(c) Any other situations which renders the arrangement between the Bullion Exchange and the Bullion Clearing Corporation unviable.

Notwithstanding the Bye-Laws 7(1) and 7(2) above the IFSCA / Relevant Authority may determine from time to time the policy for refund of contribution to the Settlement Guarantee Fund.

CHAPTER XII

DEFAULT

1. Declaration of Default

A Bullion Clearing Member may be declared a defaulter by direction/ circular/ notification of the Relevant Authority if:

(1) it is unable to fulfil his Clearing or Settlement obligations; or

(2) it admits or discloses his inability to fulfil or discharge his duties, obligations and liabilities; or

(3) it fails or is unable to pay within the specified time the damages and the money difference due on a closing-out effected against him under the Rules, Bye-Laws and Regulations; or

(4) it fails to pay any sum due to the Bullion Clearing Corporation as IFSCA/ the Relevant Authority may from time to time prescribe; or

(5) if it fails to pay or deliver all moneys, Bullions/ Bullion Contracts and other assets due to a Bullion Clearing Member who has been declared a defaulter within such time of declaration of default of such Bullion Clearing Member in such manner and to such person as the IFSCA/ Relevant Authority may direct; or

(6) if it fails to abide by the arbitration award / proceedings as laid down under the Rules, Bye-Laws and Regulations; or

(7) if it has been adjudicated as an insolvent by a court / tribunal of competent jurisdiction in the petition filed by any of his creditors, it shall ipso facto be declared a defaulter though it may not have at the same time defaulted on any of his obligations on the Bullion Clearing Corporation; or

(8) if it files a petition before a court / tribunal of competent jurisdiction for adjudication of itself as an insolvent or for corporate insolvency resolution process or similar acts; or

(9) under any other circumstances as may be decided by IFSCA/ the Relevant Authority from time to time.

1A. Without prejudice to the foregoing provisions contained in Bye-Law (1) of this chapter, where a Bullion Clearing Member, who is also a member/ Bullion Trading Member of any of the Bullion Exchanges, is declared a defaulter by such Bullion Exchange, the said Bullion Clearing Member shall ipso facto stand declared a defaulter by the Relevant Authority.

1B. Notwithstanding anything contained in the Bye-Laws and Rules of Bullion Clearing Corporation, if a Bullion Clearing Member is an associate of a Bullion Clearing Member/ Bullion Trading Member declared a defaulter by any Bullion Exchange, the said Bullion Clearing Member shall render itself liable to be declared a defaulter by the Relevant Authority.

Explanation: The expression "Associate" for the purpose of the above Bye-Law shall have the meaning as maybe defined by IFSCA from time to time.

2. Bullion Clearing Member's duty to inform

A Bullion Clearing Member shall be bound to notify the Bullion Clearing Corporation immediately if there be a failure by any Bullion Clearing Member to discharge his liabilities in full.

3. Compromise Forbidden

A Bullion Clearing Member shall not accept from any Bullion Clearing Member anything less than a full and bona fide money payment in settlement of a debt arising out of a deal cleared through the Bullion Clearing Corporation.

4. Notice of declaration of default

On a Bullion Clearing Member being declared a defaulter, a notice shall be forthwith issued to all the Bullion Clearing Members of the Bullion Clearing Corporation.

5. Notice to the Bullion Exchange

On a Bullion Clearing Member being declared a defaulter, a notice shall be forthwith issued to the Bullion Exchange if the Bullion Clearing Member is also a Bullion Trading Member of that Bullion Exchange.

6. Defaulter's Books and Documents

When a Bullion Clearing Member has been declared a defaulter, the Relevant Authority shall take charge of all his books of accounts, documents, papers and vouchers to ascertain the state of his affairs and the defaulter shall hand over such books, documents, papers and vouchers to the Relevant Authority.

7. List of debtors and creditors

The defaulter shall file with the Relevant Authority within such time of the declaration of his default as the Relevant Authority may direct, a written statement containing the complete list of his debtors and creditors and the sum owing by and to each.

8. Defaulter to give information

The defaulter shall submit to the Relevant Authority such statement of accounts, information and particulars of his affairs as the Relevant Authority may from time to time require and if so desired shall appear before the Relevant Authority at its meetings held in connection with his default.

9. Inquiry

The Relevant Authority may conduct a strict inquiry into the accounts and dealings of the defaulter in the market and shall report anything improper, un- business like or unbecoming a Bullion Clearing Member in connection therewith which may come to its knowledge.

10. Defaulter's Assets

The Relevant Authority shall call in and realise the security deposits in any form, margin money, other amounts lying to the credit of and Bullion Contracts deposited by the defaulter and recover all moneys, Bullion Contracts and other assets due, payable or deliverable to the defaulter by any other Bullion Clearing Member in respect of any Deal or dealing made subject to the Bye-laws, Rules and Regulations of the Bullion Clearing Corporation and such assets shall vest ipso facto, on declaration of any Bullion Clearing Member as a defaulter, in the Bullion Clearing Corporation for the benefit of and on account of the Bullion Clearing Corporation, the relevant Bullion Exchange, IFSCA, Constituents of the defaulter, approved banks and any other persons as may be approved by the Relevant Authority and other recognised Bullion Exchange / Bullion Clearing Corporations.

11. Payment to Relevant Authority

(1) All monies, Bullion Contracts and other assets due, payable or deliverable to the defaulter must

be paid or delivered to the Relevant Authority within such time of the declaration of default as the Relevant Authority may direct. A Bullion Clearing Member violating this provision may be declared a defaulter.

(2) A Bullion Clearing Member who shall have received a difference on account or shall have received any consideration in any deal prior to the date fixed for settling such account or Deal shall, in the event of the Bullion Clearing Member from whom he received such difference or consideration being declared a defaulter, refund the same to the Relevant Authority for the benefit and on account of the creditor members. Any Bullion Clearing Member who shall have paid or given such difference or consideration to any other Bullion Clearing Member prior to such settlement day shall again pay or give the same to the Relevant Authority for the benefit and on account of the creditor member in the event of the default of such other member.

(3) A Bullion Clearing Member who receives from another Bullion Clearing Member during any clearing a claim note or credit note representing a sum other than difference due to him or due to his Constituent which amount is to be received by him on behalf and for the account of that Constituent shall refund such sum if such other clearing member be declared a defaulter within such number of days as specified by the Relevant Authority after the settling day. Such refunds shall be made to the Relevant Authority for the benefit and on account of the creditor members and it shall be applied in liquidation of the claims of such creditor members whose claims are admitted in accordance with the Rules, Bye Laws and Regulations.

12. Distribution

The Relevant Authority shall at the risk and cost of the creditor members pay all assets received in the course of realisation into such bank and/or keep them with the Bullion Clearing Corporation in such names as the Relevant Authority may from time to time direct and shall distribute the same in accordance with the Rules, Bye-Laws and Regulations.

13. Closing-Out

(1) Bullion Clearing Members having open Deals with the defaulter shall close out such deals after declaration of default. Such closing out shall be in such manner as may be specified by the Relevant Authority from time to time. Subject to the Regulations in this regard specified by the Relevant Authority, when in the opinion of the Relevant Authority, circumstances so warrant, such closing out shall be deemed to have taken place in such manner as may be determined by the Relevant Authority.

(2) Differences arising from the above adjustments of closing out shall be claimed from the defaulter or paid to the Relevant Authority for the benefit of creditor Bullion Clearing Members of the defaulter.

14. Claims against defaulter

Within such time of the declaration of default as the Relevant Authority may direct every Bullion Clearing Member carrying on business shall, as it may be required to do, either compare with the Relevant Authority his accounts with the defaulter duly adjusted and made up as provided in the Rules, Bye-Laws and Regulations or furnish a statement of such accounts with the defaulter in such form or forms as the Relevant Authority may prescribe or render a certificate that he has no such account.

15. Delay in comparison or submission of accounts

Any Bullion Clearing Members failing to compare his accounts or send a statement or certificate relating to a defaulter within the time specified shall be called upon to compare his accounts or send such statement or certificate within such further time as may be specified.

16. Penalty for failure to compare or submit accounts

The Relevant Authority may take such action as it may deem fit including levying of fine and suspension on any Bullion Clearing Member who fails to compare his accounts or submit a statement of its account with the defaulter or a certificate that he has no such account within the specified time.

17. Misleading statement

The Relevant Authority may take such action as it may deem fit including levying of fine and suspension, if it is satisfied that any comparison statement or certificate relating to a defaulter sent by such Bullion Clearing Member was false or misleading.

18. Accounts of Relevant Authority

The Relevant Authority shall keep a separate account in respect of all monies, Bullion Contract and other assets payable to a defaulter which are received by it and shall defray therefrom from all costs, charges and expenses incurred in or about the collection of such assets or in or about any proceedings it takes in connection with the default.

19. Application of assets

The Relevant Authority shall apply the net assets remaining in its hands after defraying all such costs, charges and expenses as are allowed under the Rules, Bye-Laws and Regulations to be incurred by the Bullion Clearing Corporation, in satisfying the claims in the order of priority provided hereunder:-

(a) Dues to the Bullion Clearing Corporation, the relevant Bullion Exchange, IFSCA: The payment of such subscriptions, debts, fines, fees, charges and other money/ies due to Bullion Clearing Corporation, the relevant Bullion Exchange and IFSCA on a pro-rata basis,

(b) Dues to Constituents of the defaulter: The payments as may be admitted by the Relevant Authority, as being due to Constituents of the defaulter for debts, liabilities, obligations and claims arising out of any contracts made by the defaulter subject to the Rules, Bye-laws and Regulations of the Bullion Clearing Corporation, provided that if the amount is insufficient then the amounts shall be distributed pro-rata amongst all the Constituents of the defaulter,

(c) Dues to the Approved Banks and claims of any other persons as approved by the Relevant Authority: After making payments under (b) above, the amounts remaining, if any, shall be utilised to meet the claims of the approved banks and of any other person as may be admitted by the Relevant Authority. The claims of the approved banks should have arisen by virtue of Bullion Clearing Corporation or the relevant Bullion Exchange invoking any bank guarantee issued by the bank concerned to the Bullion Clearing Corporation or the relevant Bullion Exchange as the case may be on behalf of the defaulter to fulfil his obligation of submitting bank guarantee, guaranteeing discharge of obligations under the Bye-Laws, Rules and Regulations of Bullion Clearing Corporation / the relevant Bullion Exchange. The claims of other persons should have arisen out of or incidental to the Clearing and Settlement of a deal on the Bullion Clearing Corporation or requirements laid down by the Bullion Clearing Corporation, provided that if the amount available be insufficient to pay all such claims in full, they shall be paid pro-rata,

(d) Dues to any other recognised Bullion Exchange/ Bullion Clearing Corporation: After meeting the claims under (c) above, the remaining amounts, if any, shall be disbursed to any other recognised Bullion Exchange / Bullion Clearing Corporation for the purpose of meeting the obligations of the defaulter as a member of that Bullion Exchange/Bullion Clearing Corporation. If the defaulter is a member of more than one recognised Bullion Exchange/Bullion Clearing Corporation, then the remaining amounts shall be distributed amongst all such recognised Bullion Exchanges / Bullion Clearing Corporations and if the remaining amount is insufficient to meet the claims of all such Bullion Exchanges/Bullion Clearing Corporations, then the remaining amount shall be distributed pro-rata among all such Bullion Exchanges/Bullion Clearing Corporations; and

(e) Surplus: The surplus amounts, if any, remaining after meeting all the above claims, shall be paid to the Bullion Clearing Member.

20. Certain claims not to be entertained

The Relevant Authority shall not entertain any claim against a defaulter:

(1) which arises out of a Bullion Contract dealings in which are not permitted or which are not made subject to Bye-Laws, Rules and Regulations or in which the claimant has either not paid himself or colluded with the defaulter in evasion of margin payable on bargains in any Bullion Contract;

(2) which arises out of a contract in respect of which comparison of accounts has not been made in the manner specified in the Rules, Bye-Laws and Regulations or when there has been no comparison if a contract note in respect of such deals has not been rendered as provided in the Rules, Bye-Laws and Regulations;

(3) which arises from any arrangement for settlement of claims in lieu of bonafide money payment in full on the day when such claims become due;

(4) which is in respect of a loan with or without security;

(5) which is not filed with the Relevant Authority within such time of date of declaration of default as maybe specified by the Relevant Authority.

21. Assignment of claims on defaulters’ estate

A Bullion Clearing Member being a creditor of a defaulter shall not sell, assign or pledge the claim on the estate of such defaulter without the consent of the Relevant Authority.

22. Proceedings in the name of or against the defaulter

The Relevant Authority shall be empowered to (a) initiate any proceedings in a court of law either in the name of the Bullion Clearing Corporation or in the name of the defaulter against any person for the purpose of recovering any amounts due to the defaulter; (b) initiate any proceedings in a court of law either in the name of Bullion Clearing Corporation or in the name of the creditors (who have become creditors of the defaulter as a result of deals cleared and settled subject to Bye-Laws, Rules and Regulations of the Bullion Clearing Corporation) of the defaulter against the defaulter for the purpose of recovering any amounts due from the defaulter. The defaulter as well as the creditors of the defaulter shall be deemed to have appointed the Bullion Clearing Corporation as their constituted attorney for the purpose of taking such proceedings.

23. Payment of Relevant Authority

If any Bullion Clearing Member takes any proceedings in a court of law against a defaulter whether during the period of its default or subsequent to its re-admission to enforce any claim against the defaulter's estate arising out of any admitted deals in the market made subject to the Bye-Laws, Rules and Regulations before it was declared a defaulter and obtains a decree and recovers any sum of money thereon, it shall pay such amount or any portion thereof as may be fixed by the Relevant Authority for the benefit and on account of the creditor members having claims against such defaulter.

CHAPTER XIII

MISCELLANEOUS

1. Save as otherwise specifically provided in the Bye-Laws and Regulations specified by the Relevant Authority regarding Clearing and Settlement arrangement, in promoting, facilitating, assisting, regulating, managing and operating the Bullion Clearing Corporation should not be deemed to have incurred any liability, and accordingly no claim or recourse in respect of or in relation to any dealing in Bullion Contract or any matter connected therewith shall lie against the any authorised person(s) acting for the Bullion Clearing Corporation.

2. No claim, suit, prosecution or other legal proceeding shall lie against any authorised person(s) acting for Bullion Clearing Corporation in respect of anything which is in good faith done or intended to be done in pursuance of any order or other binding directive issued to Bullion Clearing Corporation under any law or delegated legislation for the time being in force.

3. All the records, correspondence, data, information, proceedings, minutes, decisions of the Bullion Clearing Corporation shall be confidential and the Bullion Clearing Corporation shall not be required to disclose the same to any party or person, save and except when called upon to do so by IFSCA or by under an order of any competent court/tribunal or any other competent authority.

4. In case of any difficulty in implementing the provisions of Rules, Bye-Laws and Regulations or in case of a conflict, the Bullion Clearing Corporation has the power to provide clarification, if the circumstances demand and such clarification shall be final and binding on all persons.

5. The Bye-Laws, Rules and Regulations made or prescribed by the Board/ Relevant Authority/ Bullion Clearing Corporation, including all alterations, amendments and modifications thereto, shall be subject to the Rules/ Regulations/ directives/ notifications/ circulars issued by IFSCA from time to time and all such Rules/ Regulations/ directives/ notifications/ circulars that are issued by IFSCA for or in relation to Bullion Clearing Corporation shall be deemed to be incorporated in the Bye-Laws, Rules and Regulations prescribed by the Board/ Relevant Authority/ Bullion Clearing Corporation and the Bye-Laws, Rules and Regulations prescribed by the Board/ Relevant Authority/ Bullion Clearing Corporation shall deemed to be altered/ amended/ modified to that extent, which amendment/ modification/ alteration shall be effective from the date notified by the IFSCA in that behalf.