A PROCLAMATION TO PROVIDE FOR THE AMENDMENT OF THE ETHIOPIA COMMODITY EXCHANGE ESTABLISHMENT PROCLAMATION

WHEREAS, it is found necessary to satisfy the customer demand and increase the small scale farmers participation in the exchange by develop procedures and by enhance the accessibility of Ethiopia commodity exchange to achieve their objectives;

WHEREAS, it is found necessary to re-amend the Ethiopia Commodity Exchange Establishment proclamation no.550/2007 in a way it receives the agricultural product in their type, quality, amount and in a cost effective manner and make them competitive to foreign market there by enhance the country foreign trade;

NOW, THEREFORE, in accordance with sub-article (1) of Article 55 of the Constitution of the Federal Democratic Republic of Ethiopia, it is hereby proclaimed as follows:
1. **Short Title**

This Proclamation may be cited as the “Ethiopia Commodity Exchange Establishment (Amendment) Proclamation No. 1050/2017”.

2. **Amendment**

The Ethiopia Commodity Exchange Establishment Proclamation No.550/2007 (as amended) is here by re-amended as follows:

1/ Sub-article (6) of Article 2 of the Proclamation is deleted and replaced by the following new sub-article (6):

“6/ ‘contract’ means a standardized agreement prepared to buy or sell a specified commodity containing details such as amount, grade, price and origin of the commodity and the date on which the contract will mature and become deliverable for purposes of trading on the Exchange;”

2/ Sub-article (13) of Article 2 of the Proclamation is deleted and replaced by the following new sub-article (13):

“13/ ‘Ministry’ means the Ministry of Trade of the Federal Democratic Republic of Ethiopia;”

3/ The following new sub-article (16) is added after sub-article (15) of Article 2 of the Proclamation:

“16/ ‘bonded yard’ means fenced secured yard constructed for parking trucks loaded with commodity to be traded in the Exchange until the consignment is sold on truck and picked up by the buyer within the maximum pick up period or deposited to warehouse;”
4/ Article 4 of the Proclamation is deleted and replaced by the following new Article 4:

“4. Supervising Authority

The Ministry of Trade shall be the supervising authority of the Exchange.”

5/ The following new sub-articles (11) and (12) are added after sub-article (10) of Article 6 the Proclamation:

“11/ to construct and manage modern and technology based commodity warehouses and bonded yards in strategic locations of the country;

12/ define mandatory criteria for condition of transport of exchange traded commodities and follow up its implementation, as may be delegated by appropriate government authority.”

6/ Article 7 of the Proclamation is deleted and replaced by the following new Article 7:

“7. Capital

The authorized capital of the Exchange is Birr 1,250,000,000 (One Billion, Two Hundred Fifty Million) of which Birr 725, 000,000 (Seven Hundred Twenty-Five Million) is paid in cash and in kind.”

7/ The following new sub-article (7) is added after sub-article (6) of Article 8 of the Proclamation:

“7/ Notwithstanding sub-article (2) of this Article and sub-article (1) of Article 20 of the Proclamation, detail conditions under
which non-members of the Exchange may buy or sell their own commodities at the Exchange plat without intermediary shall be determined in the rules of the Exchange.”

8/ Sub-article (1) of Article 11 of the Proclamation is deleted and replaced by the following new sub-article (1):

“1/ The Board of Directors shall consist of eleven members, of whom six, including the chairperson, are assigned by the Ministry and five are elected from Members or Members’ Associations in accordance with the rules of the Exchange.”

9/ The following new sub-article (10) is added after sub-article (9) of Article 15 of the Proclamation:

“10/ Approve the organizational structure of the Exchange.”

10/ Sub-article (2) Article 20 of the Proclamation is deleted and replaced by the following new sub-article (2):

“2/ It shall be prohibited to trade a commodity on the Exchange without the issuance of an Exchange product certificate as to the product quality or grade and of an Exchange warehouse receipt as to the product origin, quantity, condition, and location of warehouse or bonded yard.”

11/ Sub-article (1) of Article 22 of the Proclamation is deleted and replaced by the following new sub-article (1):

“1/ The Exchange shall operate with spot or future contracts or forward contracts in agricultural commodities.”

12/ The following new sub-articles (3) and (4) are
added after sub-article (2) of Article 22 of the Proclamation:

“3/ The conditions under which future contracts or forward contracts in agricultural commodities traded at the exchange shall be provided in the directive to be issued by the Authority and the rules of the exchange.

4/ Notwithstanding the provisions of sub-article (1) of this Article, the Exchange may, after conducting a study, trade in other contracts outside contracts in agricultural commodities subject to the prior approval of the Ministry or other pertinent government authority.”

13/ Sub-article (3) of Article 23 of the Proclamation is deleted and replaced by the following new sub-article (3):

“3/ Without prejudice to the Ethiopian Standards Agency approved to given authorized body the Exchange shall carry out its duties under this Article.”

14/ The following new Article 30 is added after Article 29 of the Proclamation and the existing Articles 30 to 33 are respectively renumbered as Article 31, 32, 33 and 34:

“30. Identity preserved and Traceable Commodities

1/ Notwithstanding sub-article (4) of Article 2 of this Proclamation regarding interchangeability of commodities, the Exchange may establish a trading system that ensures the identity of the owner or supplier and traceability of commodities.
፲/ ባወጭ ፈርድ እና ያ笨 ድምርት የምረስ ይስ የሚነበር የሚፈጠርበት የምርትን ቤት ያለባቸው የምርቶች ዝርዝር ሚኒስቴር ይፋሉ፡፡ ማስታወቂያ ያስቀርባ ጋር ይልኳል፡፡ የበወህ ዋር ለትርጉት የሚፈጸምባቸው የምርት የመጋዘን ውስጥ የምርት አቀማመጥ፤ ከተደረገ እና የጉዳት የባለቤትን መጋለ ይችላሉ፡፡ ይህ የሚደረገበትን የምርት ክንደጫኑ የምርት ገበያው ጥብቅ ማቆያ የሚካሔድባቸውን የተሽከርካሪዎችና ጭነቶች አቀባበል፤ ናምት የሆን ዥላስፋ ብቻ የቆር ይርስና፤ የክብደት መንግስት፤ የናወን ምዘና፤ የእንገট፤ የእንገን ይኖርባቸዋል፡፡ ይህ የሚጠበቀ ጊዜ ለሆኔ የፀና ይሆናል፡፡

አዲስ አበባ ነሐሴ ፩ቀን የ፫ሺ፱ዓ.ም መካከል የፀና ይሆናል፡፡

MULATU TESHOME (DR)
PRESIDENT OF THE FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA

2/ The kind of commodity to be included to trade in the Exchange by maintaining identity of owner or preserving identity may be decided by the Ministry by revising from time to time.

3/ Staking, inventory and delivery of commodities at the Exchange’s warehouse through such trading system shall also be done by ensuring identity of the commodity and that of its owner/supplier.

4/ Detail rules governing on truck trading of identity preserved commodities at the Exchange’s Bonded Yard, handling of arrivals, sampling, grading, weighing, trading, and risk management shall be determined in the Rules of the Exchange.”

3. Effective Date

This Proclamation shall enter in to force as of July 1, 2017.

Done at Addis Ababa this 7th day August of 1017.

MULATU TESHOME (DR)
PRESIDENT OF THE FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA