

Forward Contracts (Regulation) Act, 1952

Section 16 - Consequences of Notification Under Section 15

Where a notification has been issued under section 15, then notwithstanding anything contained in any other law for the time being in force or in any custom, usage or practice of the trade or the terms of any contract or the bye-laws of any association concerned relating to any contract,--

(a) every forward contract for the sale or purchase of any goods specified in the notification,¹[entered into on or before the date of the notification] and remaining to be performed after the said date and which is not in conformity with the provisions of section 15, shall be deemed to be closed out at such rate as the Central Government may fix in this behalf, and different rates may be fixed for different classes of such contracts;

(b) all differences arising out of any contract so deemed to be closed out shall be payable on the basis of the rate fixed under clause (a) and the seller shall not be bound to give and the buyer shall not be bound to take delivery of the goods.

1. Substituted for 'entered into before the date of the notification' by Act 62 of 1960, Section 16(28-12-1960).
