

## Commodity Futures Trading Commission

## § 1.52

the information requested may be limited to certain conditions and requirements of sections 5 and 5a(a) of the Act and these regulations.

(b) Any failure by a contract market to continue to comply with the conditions and requirements for designation as a contract market as set forth in sections 5 and 5a(a) of the Act or these regulations, and any failure or refusal to file the information required by this section shall be cause for action by the Commission under the Act or these regulations.

(c) Upon showing of good cause by a contract market, the Commission may extend for a reasonable time the filing date for any report under this section.

(Approved by the Office of Management and Budget under control numbers 3038-0007 and 3038-0016)

[46 FR 54525, Nov. 3, 1981, as amended at 46 FR 63035, Dec. 30, 1981; 59 FR 5526, Feb. 7, 1994]

### § 1.51 Contract market program for enforcement.

(a) Each contract market shall use due diligence in maintaining a continuing affirmative action program to secure compliance with the provisions of sections 5, 5a(a), 5b, 6(b), 6b, 8a(7), 8a(9) and 8c of the Act, with the regulations implementing section 4c(c) of the Act, and with all of the contract market's bylaws, rules, regulations and resolutions which such contract market is required by the Act or these regulations to enforce. Such program shall include:

(1) Surveillance of market activity for indications of possible congestion or other market situations conducive to possible price distortion;

(2) Surveillance of trading practices on the floor of such contract market;

(3) Examination of the books and records kept by contract market members relating to their business of dealing in commodity futures, commodity options, and cash commodities, insofar as such business relates to their dealing on such contract market;

(4) Investigation of complaints received from customers or option customers concerning the handling of their accounts or orders;

(5) Investigation of all other alleged or apparent violation of such bylaws, rules, regulations and resolutions;

(6) Such other surveillance, record examination and investigation as is necessary to enforce such bylaws, rules, regulations and resolutions; and

(7) A procedure which results in the taking of prompt, effective disciplinary action for any violation which is found to have been committed.

(b) Each contract market shall keep full, complete, and systematic records which will clearly set forth all action taken as a part of, and as a result of, its program required under paragraph (a) of this section.

(Approved by the Office of Management and Budget under control numbers 3038-0007 and 3038-0022)

(Sec. 5a, 49 Stat. 1497; 7 U.S.C. 7a)

[41 FR 3194, Jan. 21, 1976, as amended at 46 FR 54525, Nov. 3, 1981; 46 FR 63035, Dec. 30, 1981; 59 FR 5526, Feb. 7, 1994]

### § 1.52 Self-regulatory organization adoption and surveillance of minimum financial requirements.

(a) Each self-regulatory organization must adopt, and submit for Commission approval, rules prescribing minimum financial and related reporting requirements for all its members who are registered futures commission merchants. Each self-regulatory organization other than a contract market must adopt, and submit for Commission approval, rules prescribing minimum financial and related reporting requirements for all its members who are registered introducing brokers. Each contract market which elects to have a category of membership for introducing brokers must adopt, and submit for Commission approval, rules prescribing minimum financial and related reporting requirements for all its members who are registered introducing brokers. Each self-regulatory organization shall submit for Commission approval any modification or other amendments to such rules. Such requirements must be the same as, or more stringent than, those contained in §§ 1.10 and 1.17 and the definition of adjusted net capital must be the same as that prescribed in § 1.17(c): *Provided, however,* A designated self-regulatory organization may permit its member