

unsold anticipated production or unfilled anticipated requirements shall exceed the amounts described by the figures for requirements furnished in the most recent filing pursuant to this section or the amounts determined by the Commission to constitute unsold anticipated production or unfilled anticipated requirements pursuant to paragraph (a) of this section, such person shall file with the Commission a statement which updates the information provided in the person's most recent filing and supplies the reason for this change at least ten days in advance of the date that person wishes to exceed these amounts.

(d) *Maximum sales and purchases.* Sales or purchases for future delivery considered as bona fide hedges pursuant to § 1.3(z)(2) (i)(B) or (ii)(C) shall at no time exceed the lesser of:

(1) A person's unsold anticipated production of unfilled anticipated requirements as described by the information most recently filed pursuant to this section or determined by the Commission pursuant to paragraph (a) of this section; or

(2) A person's actual unsold anticipated production or current unfilled anticipated requirements for the length of time specified in the information most recently filed pursuant to this section.

(e) *Updated reports.* Reports updating the information required pursuant to this section shall also be filed with the Commission upon specific request.

(Approved by the Office of Management and Budget under control number 3038-0013)

[42 FR 42752, Aug. 8, 1977, as amended at 46 FR 63035, Dec. 30, 1981]

§ 1.50 Demonstration of continued compliance with the requirements for contract market designation.

(a) With respect to each commodity or commodity option for which it has been designated as a contract market, each contract market shall file with the Commission within 60 days of a Commission request, or within such longer period as the Commission may specify in the request, a written report containing such supporting data, and other information and documents as the Commission may specify, that demonstrates that such contract mar-

ket is complying with the conditions and requirements of sections 5 and 5a(a) of the Act and these regulations. At the discretion of the Commission, 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;