



## ASSOCIATION OF FUTURES MARKETS (AFM)

### I Why was AFM founded

AFM is a grass root initiative. The idea of creating a joint platform for emerging commodity markets originally came from the South African Futures Exchange in 1996 when they invited a handful of exchanges to exchange ideas and experience. The next year it was Budapest where on a similar meeting the exchanges decided that they should give a structure to the loose meetings and become an association. In 1998 the same exchanges met in Buenos Aires where the host was the Buenos Aires Futures Exchange and by this time the association was in place legally.

### II Why to join AFM

**The prime objectives** of the Association are to promote communication between member exchanges, to strengthen relationship and to transfer experience and information. There is an annual conference hosted every year by a different member exchange, which conferences proved to be extremely useful over these past four years. Since AFM is a young organization with limited resources the only way of communication between members so far has been the annual (three-day) conference. In 1999 in Bucharest, Romania, among the topics of the roundtable discussions you could find the following: Mergers, Real-time clearing and settlement, Exchange alliances, Internet: threat or opportunity, New electronic exchanges, Disappearance of local exchanges, Elevator/warehouse receipts, GMO product.

This year in Budapest (September 28-29) the roundtable discussions will cover

- Electronic trading: experience, modifications, global distribution of products, futures.
- Mobile Internet on derivatives trading in developing countries and on futures markets.
- Demutualisation process of exchanges
- A proposed market-based approach to commodity risk management in developing countries.

Apart from member institutions we are expecting delegates from the Budapest Stock Exchange, the Budapest University of Economics, Fornax Co., Kiev International Stock Exchange, Poznan Commodity Exchange, UNCTAD and the Worldbank.

**In the long run** we have the following objectives:

- facilitate bilateral cooperation between members,
- facilitate mutual exchange of experience,
- publish educational materials,
- represent members on international conferences and expos,
- liason with other associations,
- research projects with universities.



### **III Organizational structure**

The supreme body of the association is the General Assembly which convenes once a year, during the international conference. The Chairman of the Association is elected annually, he/she is the representative of the member organization hosting the annual conference. So far, we have had a chairman from Hungary, from Argentina and from Romania.

The administrative tasks are undertaken by the Secretariat situated in Budapest, Hungary. Its main task is to manage the Association in between two conferences, organize the conference, keep contact with members and practically, to execute all assignment of member organizations.

### **IV How to become a member**

There are full and associate members in the Association.

Members of the Association can exclusively be legal entities, which according to the legal regulation of their seat, fall into the category of exchange, exchange association or clearing house. Other legal entities can also obtain membership rights, such as companies engaged in financial, agricultural, processing activities, companies providing exchange communication activities and other future exchange organisations, associations or foundations. Associate members can be any legal entities.

Full members are entitled to vote in the General Assembly, have all the rights and must fulfil all the obligations of the Constitution of the Association.

Associate members are invited to participate in the conferences organized by the Association, however, are excluded from the General Assembly and they are not allowed to vote. They can also be part of the cooperational agreements of the Association.

Decision about member admittance is finalised by the General Assembly. Member admittance is possible through the recommendation by two members.

### **V Current Membership of the Association**

- Amsterdam Exchanges,
- Budapest Commodity Exchange,
- Budapest Clearing and Settlement House,
- LIFFE Commodities,
- Commodity and Monetary Exchange of Malaysia,
- IASI Romanian Commodities Exchange,
- South African Futures Exchange,
- Romanian Commodity Exchange,
- Warsaw Board of Trade.



We have the following exchanges in so-called observer status, there joining is expected in the near future:

- Poznan Commodity Exchange (Poland),
- Izmir Commodity Exchange (Turkey),
- Skopje Commodity Exchange (Macedonia),
- Rouse Board of Trade (Bulgaria),
- Zhengzhou Commodity Exchange (China).

## VI Web addresses of member organisations

LIFFE Commodities	www.liffe.com
Warsaw Board of Trade	www.wgt.com.pl
Iasi Romanian Commodities Exchange	www.bursamoldovei.ro
Budapest Commodity Exchange	www.bce.hu
Amsterdam Exchanges	www.aex.nl
Romanian Commodities Exchange	www.brm.ro
Malaysian Commodity and Monetary Exchange	www.commex.com.my
KELER	www.keler.hu
SAFEX	www.safex.co.za

AFM is also available on the Internet at **www.afm.hu**

For more information please contact Krisztina Kasza, Secretary of AFM at [kasza@dial.fornax.hu](mailto:kasza@dial.fornax.hu) or [kkasza@matavnet.hu](mailto:kkasza@matavnet.hu)  
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