

ANNEXURE I

STANDARD OPERATING PROCEDURE FOR REGISTRATION AND DE-REGISTRATION OF APPROVED PERSONS AND OPENING BRANCH OFFICE BY BROKERS OF THE EXCHANGE IN TERMS OF REGULATION 5.8 OF GENERAL REGULATIONS 2007 OF THE EXCHANGE.

1. INTRODUCTION

In order to maintain a smooth process for registration of the Branch Office(s)/Authorized Person(s) of the Brokers and to ensure compliance of the Regulations of the Exchange as well as protection of investors dealing through such Branch Office(s)/Authorized Person(s), the Exchange hereby issues procedure for registration of the Branch Office(s)/Authorized Person(s) of the Brokers which is effective from July 1, 2012.

2. DEFINITIONS

In this procedure, unless there is anything repugnant in the subject or context:

2.1 Exchange means the Pakistan Mercantile Exchange Limited.

2.2 Commission means the Securities and Exchange Commission of Pakistan constituted by the Securities and Exchange Commission of Pakistan Act, 1997.

2.3 Broker means any person who is registered with the Commission for the purpose of engaging in the business of effecting transactions in Commodity Futures Contract for the account of others.

2.4 Branch Office means an Office/Branch opened and maintained by a Broker for conducting the business and trading of Commodity Futures Contracts registered on the Exchange.

2.5 Head Office means a Broker's Office designated as the principal place of business.

2.6 Authorized Person means a person appointed/employed by a Broker and who has been authorized by the Broker to access the ETS of the Exchange. This includes Agent/Sub-broker/Head of a Branch Office.

2.7 ETS means the Electronic Trading System as may be approved by the Exchange for the purpose of automated trading, clearing and settlement, risk management, surveillance and back office systems in respect of Commodity Futures Contracts.

3. APPOINTMENT OF AUTHORIZED PERSON

Brokers who are desirous to appoint Authorized Person(s) are required to seek approval of the Exchange by submitting an application in the format prescribed by the Exchange from time to time. Brokers may appoint one or more Authorized Persons after obtaining specific prior approval from the Exchange. The approval as well as the appointment should be specific for each Authorized Person.

Requirement for disclosing the purpose for appointment of Authorized person and responsibility of the broker in terms of Regulation 5.8 read with 3.18 of General Regulations of the Exchange:-

3.1 Vide Regulation 5.8.1 which requires that the broker shall allow only their authorized persons to operate the ETS subject to such terms and conditions and submission of application as the Exchange may determine from time to time hence, any person who is operating ETS is required to be registered with the Exchange as authorized person of the broker except clients of brokers who are required to sign account opening form and risk disclosure statement before starting trading activities.

3.2 Authorized person may be appointed for running branch office of the broker provided that such branch office should be used solely for providing trading services at commodity futures contracts of the Exchange and the broker has provided details and comply with all procedural requirements as mentioned herein for running the affairs at branch office to the Exchange.

3.3 Authorized person may be appointed for marketing purpose however; such marketing should be restricted to promote trading activities at registered Commodity Futures contract of the Exchange and the broker has taken prior approval of the Exchange to disseminate such marketing material before presenting to the potential or existing investors.

3.4 Vide Regulation 3.18, the broker shall ensure to the Exchange that their/his authorized person follow and comply with all the provisions of the SEC Ordinance 1969, Commodity Exchange and Futures Contract Rules 2005, General Regulations 2007 of the Exchange and all directions, circulars, orders passed by the Exchange and the Commission from time to time.

3.5 Broker shall be liable for all the actions of its authorized persons and shall be liable to disciplinary action in respect of any act or omission of its authorized persons.

Vide Regulation 6.5 of General Regulations 2007 of the Exchange; the broker shall continue to be liable for all trades executed on the ETS for orders entered into the ETS on behalf of his clients. Broker shall be responsible for all the actions of their Authorized person and their clients.

Vide Regulation 3.18 which states that every broker will ensure that his authorized persons and clients follow and comply with all the provision of the Ordinance, the Rules and these Regulations. Each broker shall be liable for all the actions of its authorized persons and clients and shall be liable to disciplinary action in respect of any act or omission of its authorized persons and clients in any of the circumstances setout in these Regulations, the Ordinance or the Rules.

4. PROCEDURE FOR REGISTRATION OF AUTHORIZED PERSON

- 4.1 A Broker desirous to appoint Authorized Person shall apply to the Exchange; in such format as prescribed by the Exchange vide Annexure “A” along with documents vide Annexure “B” and processing fee of Rs. 5,000/- (non-refundable on processing of application).
- 4.2 On receipt of the completed application for appointment of an Authorized Person from the Broker, the Exchange may:
 - a) accord approval on satisfying itself that the person is eligible for appointment as Authorized Person, or
 - b) Refuse approval on satisfying the broker that the person is not eligible for appointment as Authorized Person.
- 4.3 The Exchange will have the discretion to refuse or withdraw permission if any, granted to any Authorized Person at any time without assigning any reason, if the Exchange, in its absolute discretion, considers such refusal or withdrawal to be in the interest of the market and investors.

5. ELIGIBILITY FOR AUTHORIZED PERSON

A person shall be eligible for registration as an Authorized Person, if he:

- 5.1 is recommended by a Broker of the Exchange;
- 5.2 is not less than twenty-one years of age;
- 5.3 is a citizen of Pakistan;
- 5.4 has at least passed graduation or equivalent examination from an Institution recognized by the Government and possesses at least one year experience as a trader/agent/Authorized Person in a brokerage house or hold such certification as may be prescribed by the Exchange from time to time;
- 5.5 is not a lunatic or a person of unsound mind;
- 5.6 has not been convicted of an offence involving fraud or breach of trust;
- 5.7 has not been adjudicated as insolvent or has suspended payments or has compounded with his creditors;
- 5.8 has not been removed / barred by any member of Stock/Commodity Exchange for fraud or breach of trust.

6. CONDITIONS OF APPOINTMENT

- 6.1 On being registered with the Exchange as an Authorized Person of a Broker, such person shall not, during continuation of being an Authorized Person of such Broker, qualify for becoming Authorized Person of any other Broker of the Exchange.
- 6.2 Broker shall not hire the services of any person as an Authorized Person who was terminated on account of fraud or misconduct by any member of Stock / Commodity Exchange.
- 6.3 No director of a Broker (if Broker is a company) is eligible to be an Authorized Person of any other Broker of the Exchange.

- 6.4 The Authorized Person shall not receive or pay any money or deal in deliveries of commodities in his own name or account. All receipts and payments of funds and dealing at commodity Futures Contracts shall be in the name or account of the concerned Broker.
- 6.5 The Authorized Person shall receive his remuneration - fees, charges, commission, salary, etc. - for his services only from the Broker and he shall not charge any amount from the clients.
- 6.6 All acts of omission and commission of the Authorized Person are deemed to be those of the Broker.
- 6.7 The Broker and the Authorized Person in case have entered into an agreement; the same is required to be presented to the Exchange for its knowledge and record.
- 6.8 The permission granted by the Exchange for any Authorized Person is only to facilitate the Brokers to trade on the Exchange platform through persons authorized by them and such permission cannot be construed in any manner whatsoever to waive, reduce or affect the liability and responsibility of the Brokers in such matter.

7. DE-REGISTRATION OF AUTHORIZED PERSON

The registration of Authorized Person may be cancelled by the Exchange as under:

- 7.1 On receipt of an application to that effect from the concerned Broker vide Annexure "E" and subject to compliance with the requirements that may be prescribed by the Exchange;
- 7.2 On being satisfied that the continuation of the Authorized person is detrimental to the interests of investors or the commodities market on account of any reason whatsoever;
- 7.3 On becoming ineligible under the clauses of the eligibility criteria at any subsequent date;
- 7.4 Upon the directions of the Securities and Exchange Commission of Pakistan.

8. OBLIGATIONS OF THE BROKER

- 8.1 The Broker shall permit the Authorized Person to admit or introduce clients and accept orders from the clients on their behalf only after his admission as Authorized Person by the Exchange.
- 8.2 The Broker shall provide all facilities as available at Head Office of the broker like facility to record telephone calls, dedicated lines for recording orders from clients, Sign board clearly mentioning about "Broker (name) Pakistan Mercantile Exchange Limited with Member Code and Broker Registration number". In case, Authorized Person has any additional powers and limitations to deal with the clients, such powers and limitations should be clearly mentioned at branch office so that investors may know about the same.
- 8.3 The Broker shall be responsible for all acts of omission and commission of his/her Authorized Person and /or their employees, including liabilities arising there from.
- 8.4 If any trading terminal is provided by the Broker to an Authorized Person the place where such trading terminal is located shall be treated as branch office of the Broker

and registration of such branch office with the Exchange is mandatory upon the brokers.

- 8.5 Broker shall discourage receiving cash over and above Rs. 25,000/- at any of his/her brokerage houses/branch office etc. All payments to be received by the Authorized Person on behalf of the broker in the following manner:
- a. By cross cheque in the name of broker concerned only;
 - b. By bank draft or pay order in the name of broker or entity which is member/broker of the Exchange. No payment would be received in any other name by any instrument or even by abbreviation of broker name etc.;
 - c. Any other crossed banking instrument in compliance with aforesaid;
 - d. All payments shall preferably be received via on-line transfers at designated bank accounts of the brokers, (broker shall provide detail of designated bank accounts at each branch office and particularly at the time of account opening form);
 - e. In case of any exigency on part of the broker to receive cash payment from the client, the client should be encouraged to make such payment at main office of the broker and to take proper receipt thereof however; such instance is required to be reported to the Exchange. The limit to receive cash payment is Rs. 25,000/-. In case of making payment by the client to the Authorized Person in case of any exceptional circumstance, proper receipt shall be provided by the main office and the broker and/or CEO shall provide confirmation letter for receiving cash payment. In case any client not receives any payment receipt duly signed by the broker or CEO of concerned broker or is not reflecting in his main ledger account being maintained by the Exchange, the client may ask the Authorized Person/concerned broker to produce such receipt under intimation to the Exchange and may report the same to the Exchange within 24 hours of non-settlement of issues.
- 8.6 The Broker shall display at each such branch office, additional information such as particulars of Authorized Person in charge of that branch, terms and conditions of his appointment, time lines for dealing through Authorized Person, etc. as may be specified by the Exchange.
- 8.7 The Brokers shall notify changes, if any, in the Authorized Person to the Exchange as well as all registered clients of that branch at least 15 days before the change.
- 8.8 The Broker shall conduct periodic inspection of the branches assigned to Authorized Persons and records of the operations carried out by them, as prescribed by the Exchange.
- 8.9 It shall be the responsibility of the Broker to audit the records of its Authorized Person to ensure that they comply with the Rules and Regulations of the Exchange.
- 8.10 The client dealing through an Authorized Person shall be registered with the Broker only. The funds, monies, commodities or warehouse receipts, as the case may be, of the clients shall be settled directly between the Broker and client. No cash fund or commodities of the clients shall be transferred / deposited / credited into any account of an Authorized Person.
- 8.11 All documents like contract notes, statement of funds and commodities etc. would be issued by the Broker to the client. Authorized Person may provide administrative assistance in procurement of documents and settlement, but shall not issue any documents to client in his own name.

- 8.12 On noticing irregularities, if any, in the operations of an Authorized Person, the Broker shall forthwith seek withdrawal of approval, withhold all moneys due to Authorized Person till resolution of client grievances, alert clients in the location where Authorized Person operates, file a complaint with the police, and take all measures as may be required to protect the interests of its clients and the market.
- 8.13 Brokers shall ensure that no orders are executed at the Authorized Person's end before all documents as prescribed by the Exchange or the Securities and Exchange Commission of Pakistan, as the case may be, including Broker and Constituents Agreement, Client Registration Form and Risk Disclosure Document are obtained from each such client.
- 8.14 Uploading of details pertaining to the Unique Identification Number (UIN) of clients shall be the responsibility of the Broker and the Authorized Person cannot create or allot UIN to any client. The Broker shall also upload the detail and credentials of authorized person and branch office at its website and shall provide for information of clients about limitations and powers of the authorized person as per terms of agreement.
- 8.15 All documents as mentioned above should be available with the Broker for audit and inspection as and when required by the Exchange or the Commission.

9. OBLIGATIONS OF THE EXCHANGE

- 9.1 The Exchange shall maintain a database of all the Authorized Persons, which shall include the following:
- a) CNIC number of Authorized Person along with photograph.
 - b) Details of the Broker with whom the Authorized Person is registered.
 - c) Location of the branch assigned to the Authorized Person by the broker.
 - d) Number of terminals and their details, given to each Authorized Person.
 - e) Withdrawal/Cancellation of approval/registration of an Authorized Person.
 - f) Change in the status or constitution of Authorized Person.
 - g) Disciplinary action taken by the Exchange against any Broker for violations of the Rules, Regulations and directions of the Exchange or the Commission, as the case may be, by the Authorized Person.

All of the above details except (a) above, shall be made available on the web site of the Exchange.

- 9.2 While conducting inspection of the Broker, the Exchange may, also conduct an inspection of the branches where the terminals of Authorized Persons are located and records of the operation carried out by them.
- 9.3 Any dispute between a client and an Authorized Person shall be treated as a dispute between the client and the Broker and the same shall be redressed by the Exchange accordingly.
- 9.4 In case of withdrawal/cancellation of approval of an Authorized Person due to disciplinary action or upon the regulatory directive, the Exchange shall issue a notice and disseminate the names of such Authorized Persons on its web site citing the reason for withdrawal or cancellation of approval.

10. CLOSURE OR DE-REGISTRATION OF BRANCH OFFICE

Once the Authorized Person is appointed at any branch office of the Broker, the said branch office will not be closed or Authorized Person will not be changed unless circulating 15 days prior notice to the clients of said branch office and under intimation to the Exchange in this respect. The Exchange after getting satisfaction that no claim is pending against the broker or any of its investors, may issue confirmation letter for closure of branch office and shall remove the same from its database.

The Exchange while allowing the broker to close branch office shall consider inter-alia following:

- a. Whether or not the accounts of said branch office have been cleared/settled by the broker?
- b. Whether or not any fraudulent activity was done by the broker or its Authorized Person?
- c. Whether or not any investor claim is pending in relation to said branch office before PMEX?

11. GENERAL OBLIGATIONS OF THE BROKER

- 11.1 No person other than the broker or Chief Executive Officer of the broker (with board resolution) has the authority to request for registration of Authorized Person and branch office.
- 11.2 The Exchange shall reserve its rights to take any information from any person of said branch office for checking compliance issue.
- 11.3 Brokers shall not be authorized to use any other name at branch office except the name at which they have membership rights of the Exchange or no trade name shall be used or abbreviation of name of membership rights.
- 11.4 All marketing material shall be subject to approval of the Exchange.
- 11.5 No business other than business of the Pakistan Mercantile Exchange would be allowed and name of the broker shall prominently be placed outside such office without commingling with any other business activities.
- 11.6 In case of reporting any un-regulated business activities at such branch office, the Exchange shall immediately take action against the broker under General Regulations which includes but not limited to referring the matter to concerned authorities like SECP, FIA, NAB etc.

ANNEXURE-A

APPLICATION FOR REGISTRATION OF AUTHORIZED PERSON/BRANCH OFFICE
(On the letterhead of the Member)

Dated: _____

The Membership Department
Pakistan Mercantile Exchange Ltd. (PMEX)
9th Floor, PRC Towers, 32-A
Lalazar Drive, M.T. Khan Road
Karachi

Dear Sir,

I/We am/are a member of PMEX having Member Code _____ allotted by PMEX and Certificate of Broker Registration No. _____ granted by the SECP.

I/We am/are desirous of appointing the following entity as my/our Authorized Person at my/our _____ branch office in accordance with the circular no. _____ dated _____ issued by PMEX. I/We further confirm that the said application for the appointment of Authorized Person is in compliance with the said circular. I/We hereby undertake to comply with such requirements as may be prescribed by PMEX/SECP from time to time.

The details of the proposed Authorized Person are as follows:

Sr. No.	Particulars	Details Required
1.	Name of the proposed Authorized Person (In Capital letters):	
2.	CNIC No.	
3.	Residential Address of Authorized Person:	
4.	Nationality:	
5.	Education:	
6.	Experience:	
7.	Address of Branch Office:	
	Phone No.	
	Fax No.	
8.	Details of Trading Terminals	

I/We Mr. / M/s. _____ (name of member) of the Exchange hereby recommends the above mentioned applicant as Authorized Person. I/we declare that the information given in this form is true to the best of my/our knowledge and belief. I/we further undertake to abide by all Rules and Regulations of the Exchange in the matter.

(Signature & Name of member)

ANNEXURE-B

DOCUMENTS TO BE ENCLOSED WITH THE APPLICATION

1. Copy of CNIC.
2. Two recent Passport size photographs.
3. Copy of educational qualification certificate(s).
4. Copy of experience certificate(s).
5. Certificate from previous employer that the Applicant has not been removed by a member of any Stock/Commodity Exchange for fraud or breach of trust (If applicable).
6. Copy of certificate evidencing that the applicant has attended course as prescribed by the Exchange (If applicable).
7. Cheque of Rs. 5,000/- towards processing fee payable in the name of Pakistan Mercantile Exchange Limited.
8. Affidavit on a non-judicial stamp paper of Rs. 50/- in prescribed format duly attested by Notary Public / Oath Commissioner (Annexure C).
9. Undertaking on the letterhead of the Member in prescribed format (Annexure D).

All documents are to be certified by the Individual Broker/Chief Executive of the Corporate Broker as the case may be.

ANNEXURE-C

AFFIDAVIT

(On a non-judicial stamp paper of Rs. 50/-)

I, _____ to be appointed as an Authorized Person of Mr. / M/s. _____ Member-Broker of Pakistan Mercantile Exchange Limited, residing at _____, do hereby state on oath and solemn affirmation that I:

- (a) am not less than twenty-one years of age;
- (b) am a citizen of Pakistan;
- (c) have at least passed graduation or equivalent examination from an institution recognized by the Government;
- (d) possess at least one year experience as a trader/agent/Authorized Person in a brokerage house or hold such certification as may be prescribed by the Exchange from time to time;
- (e) am not a lunatic or a person of unsound mind;
- (f) have never been convicted of an offence involving fraud or breach of trust or cheating or dishonesty or any other indictable criminal offence;
- (g) have not been adjudicated as insolvent or have suspended payments or have compounded with my creditors;
- (h) have not been removed / barred by any member of Stock/Commodity Exchange for fraud or breach of trust;
- (i) have faithfully complied with all general and specific directives of the Commission.

That whatever is stated above is true to best of knowledge and nothing is concealed.

Signature of Authorized Person

(Name of Authorized Person)

Dated: _____

Note: This document should be authenticated by the Oath Commissioner

ANNEXURE-D

UNDERTAKING

(On the letter head of the member)

I/We Mr./Ms./M/s. _____ (*name of the member*) hereby confirm/undertake that:

1. The person proposed to be appointed by me/us as Authorized Person meets all the conditions laid down by the Exchange;
2. Mr. / Ms. _____ (*name of the Authorized Person*) has necessary infrastructure like adequate office space, equipment and manpower to effectively discharge the activities on my/our behalf;
3. Mr. / Ms. _____ (*name of the Authorized Person*) is not an Authorized person of any other member of the Exchange;
4. I/We shall audit the records of the Authorized Person to ensure that he/she complies with all Rules, Regulations, directions and circulars issued by the Exchange from time to time;
5. I/We agree and bind myself/ourselves to be responsible for all deals, acts of commission and omission, quotations made and transactions effected, if any, by / through Mr. / Ms. _____ (*name of the Authorized Person*) and shall be responsible for all acts of omission and commission of Authorized persons(s) and/or their Employees, including liabilities arising there from;
6. I/ We shall ensure the settlement and honour of all the deals entered into by us as the member of the Exchange which orders/deals may have originated from Mr. / Ms. _____ (*name of the Authorized Person*) whom we are recommending to PMEX to be accorded recognition as our Authorized person;
7. Mr. / Ms. _____ (*name of the Authorized Person*) has good reputation and character and has not been convicted of any offence involving fraud or dishonesty;
8. The Authorized person shall not receive or pay any money or commodities in its own name or account and all receipts/payments of commodities and funds shall be in our name or account;
9. We shall display at each branch office additional information such as particulars of Authorized Person In charge of that branch, terms and conditions of his appointment, time lines for dealing through Authorized Person, etc., as may be specified by the Exchange;
10. We shall notify proposed changes, if any, in the Authorized Person to all registered clients of that branch at least 15 days before the change;
11. In case of any change in status of the Authorized Person, we shall intimate the Exchange of the details of proposed change and submit all the documents of the proposed change at least 30 days in advance to the Exchange;
12. We shall conduct periodic inspection of branches assigned to Authorized persons and records of the operations carried out by them. The copies of such inspection reports will be retained by us as record for inspection of PMEX and/or SECP, if required;

13. The client shall be registered with us directly. The funds and commodities of the clients shall be settled directly between us and client and all documents like contract note, statement of funds and commodities would be issued to client by us. Authorized Person will only provide administrative assistance in procurement of documents and settlement, but shall not issue any document to client in its own name. No fund/commodities of clients shall be deposited / transferred / credited into any account of Authorized Person;
14. On noticing irregularities, if any, in the operations of Authorized Person, I/We shall seek withdrawal of approval, withhold all moneys due to Authorized Person till resolution of client grievances, alert clients in the location where Authorized Person operates, file a complaint with the police, and take all measures required to protect the interest of clients and market;
15. I/We shall ensure that no orders are executed by Authorized Person before all documents as prescribed by the Exchange/commission as the case may be, including Client Registration Form and Risk Disclosure Documents are obtained from each such client;
16. I/We ensure that Unique Identification Number (UIN) shall be uploaded by us and Authorized Person will not be given any rights to create/allot such UIN to any client;
17. I/We undertake to provide such information / documents as mentioned in 15 and 16 above during my / our audit / inspection or as and when required by Exchange or the Commission;
18. I/We shall ensure that Authorized Person shall admit or introduce clients and accept orders from the clients on their behalf only after registration of Authorized Person with the Exchange;
19. I/We hereby confirm that Mr. / Ms. _____ (name of Authorized Person) has not been removed / barred by any member of Stock/Commodity Exchange for fraud or breach of trust

Date: _____

Place: _____

_____ *** Signature, Name & Seal**

* Should be signed only by Individual Member / Chief Executive of Corporate Member as the case may be.

ANNEXURE-E

APPLICATION FOR CANCELLATION OF AUTHORIZED PERSON/BRANCH OFFICE
(On the letterhead of the Member)

Dated: _____

The Membership Department
Pakistan Mercantile Exchange Ltd. (PMEX)
9th Floor, PRC Towers, 32-A
Lalazar Drive, M.T. Khan Road
Karachi

Dear Sir,

I/We hereby request the Exchange to cancel the appointment of following Authorized Person(s)/Branch Office(s) with the Exchange:

Sr. No.	Name of the Authorized Person	Branch Office Address	Authorized Person Code	Date of Approval by PMEX	Reason for cancellation

I/We hereby confirm that:

1. The above mentioned Authorized Person has been disabled from trading (if any trading terminal is provided by the Broker to Authorized Person).
2. The agreement(s) between the Broker, Mr. / M/s. _____ and the above mentioned Authorized Person(s) has/have been terminated (where applicable).
3. No complaint / arbitration / disciplinary proceeding / investigation / inquiry is pending against me/us in respect of clients dealing through this Authorized Person. There is no financial dispute of any matter between me/us and this Authorized Person.
4. All the registered clients of that branch have been intimated by me/us fifteen days before the disaffiliation of Authorized Person with me/us.
5. All the documents required for the record purposes have been collected from the Authorized Person.
6. Copy of No Objection Certificate (NOC) issued to the Authorized Person(s) mentioned above is/are enclosed.

I/We undertake to honour all the liabilities/obligations arising from the acts of omission or commission of the Authorized Person done by the Authorized Person /Employee of the Authorized Person for the tenure when he/she was registered as Authorized Person affiliated with us till the cancellation of registration by the Exchange.

(Signature & Name of member)

Instructions

- This application can be submitted by the broker only in case the broker desires to cancel the Authorized Person's registration after the Exchange has granted approval to the Authorized Person registration application.
- Submit certified copy of public notification intimating the investors/general public of the cancellation/surrender of Authorized Person, issued in the local newspaper where the Authorized Person's registered office, head office/corporate office is situated and another in English daily news paper with wide circulation. (Applicable in case of any disciplinary action initiated by the Exchange and pending against the Authorized Person).
- In case the Authorized Person wishes to change its affiliation from one broker to another broker, the existing broker has to submit an application for cancellation of registration of Authorized Person and the new affiliating broker has to submit an application and all other prescribed documents for registration of the Authorized Person.
- Certified copy of duly acknowledged copy of notice issued to Authorized Person to be submitted in case the Authorized Person is not co-operating for the cancellation of registration.