

# The Cotton Act, 1957

( ACT NO. XXXVIII OF 1957 )

**An Act to provide for measures for the promotion of international trade in cotton. <sup>1</sup>♣**

WHEREAS it is expedient to provide for measures for the promotion of international trade in cotton;

It is hereby enacted as follows:-

**Short title, extent and commencement**<sup>2</sup>  
1. (1) This Act may be called the Cotton Act, 1957  
(2) It extends to the whole of Bangladesh.]

(3) It shall come into force at once.

**Definitions**  
2. In this Act, unless there is anything repugnant in the subject or context,-  
(a) “contract” means a contract for the purchase or sale of cotton, and includes a factory selection contract;  
(b) “cotton” means unginning cotton (kapas) or ginned cotton (rui) or pressed and baled cotton but does not include wool cotton or silk cotton;  
(c) “factory selection contract” means a contract for the sale of cotton entered into in Bangladesh and providing for selection by the buyer at the factory and for delivery of the cotton selected in full pressed bales <sup>3</sup>[\* \* \*] within the period and at the price specified in the contract;  
(d) “notified order” means an order published in the official Gazette;  
(e) “pressing factory” means a place wherein steam, water or other mechanical power or electric power is used and where cotton is pressed into bales.

**Constitution  
of the  
Cotton  
Board**

4[3. (1) The Government may, for the promotion of international trade in cotton, constitute, by notification in the official Gazette, a Cotton Board with a Chairman and such other members, not exceeding ten, as may be specified in the notification.

(2) The Chairman and the members of the Cotton Board shall be nominated by the Government.]

**Functions  
of the  
Board**

4. The Board shall have power to supervise and regulate all dealings in cotton, in so far as they are connected with the promotion of international trade therein, and shall perform such functions as the Government may, from time to time, direct for the purposes of this Act.

**Control of  
the Board**

5. The Board shall be subject to the superintendence and control of the Government, and in the discharge of its functions shall be guided by such general or special instructions as may, from time to time, be given to it by the Government.

**[Omitted.]**

6. [Requisition of factories, etc.- Omitted by section 3 and the Second Schedule of the Bangladesh Laws (Revision And Declaration) Act, 1973 (Act No. VIII of 1973).]

**Power to  
secure  
fulfilment of  
contracts**

7. If in the opinion of the Government, it is expedient or necessary so to do for the purpose of securing the fulfilment of any contract relating to export of cotton on which the exporter has defaulted, it may buy cotton elsewhere and appropriate it to the contract, and the defaulter shall be liable for any loss which the Government may sustain on that account, but the defaulter shall not be entitled to any gain on the purchase made against default.

Explanation.- In this section "exporter" means a seller of cotton to a foreign buyer or to his agent in Bangladesh.

**Power to  
call for  
information**

8. (1) The Government may, at any time, by an order in writing, direct such person or class of persons as may be specified in the order to furnish such particulars relating to the fulfilment of any contract relating to export of

cotton, in such manner and to such person, as may be specified in the order.

(2) The Government may, by order in writing, require any person to furnish to it, or to such person as may be specified in this order, any information in his possession, being information which the Government may require for the purposes of this Act.

### **Registration of contracts**

9. The Government may, by general or special order in writing, require any contract relating to export of cotton to be registered with such organisation and in such manner as may be specified in the order.

### **Control of contracts through recognised associations**

10. (1) The Government, if satisfied that it could be in the interests of the trade and also of the public to do so, may, by a notified order and subject to such conditions, if any, as may be specified in the order, prohibit any specified kind or class of contracts, such as forward contracts or hedge contracts, unless such contracts are made through and under the control of, and in the manner prescribed by, an association recognised by the Government under sub-section (2).

(2) For the purposes of this section, the Government may, by a notified order, recognise any association, constituted for the purpose of regulating and controlling contracts, which applies for such recognition.

(3) A recognition under sub-section (2) may be granted subject to the condition that the association shall by such amendments of its articles of association, rules or bye-laws as may be necessary provide for the appointment by the Government of not more than four persons, representing interests not directly represented through membership of the association, as members of the governing body of the association.

(4) Every association, which is recognised under sub-section (2), shall furnish to the Government such information and such periodical returns relating to the affairs of the association as the Government may by order in writing require.