

**GOVERNMENT OF INDIA  
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION  
LOK SABHA**

UNSTARRED QUESTION NO:4507  
ANSWERED ON:22.05.2006  
REGULATION IN COMMODITY EXCHANGES  
Moorthy Shri A.K.

**Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:**

- (a) whether the Government proposes to impose restrictions and regulation in multi commodity exchanges for gold trade;
- (b) if so, the details thereof; and
- (c) if not, the reasons therefor?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SHRI TASLIMUDDIN)

(a) to (c): Forward Trading in various commodities including gold are subject to various regulatory measures such as limit on open position, imposition of margins on the outstanding purchases and sales, price bands etc. These regulations are part of the contract designs of the commodities approved by the Forward Markets Commission (FMC), which is the regulator for futures trading in commodities under the provisions of the Forward Contracts (Regulation) Act, 1952, and are accordingly applicable to gold trade in Multi Commodity Exchanges. According to FMC, these regulatory measures are adequate for regulating futures trading in gold in the Multi Commodity Exchanges.