

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

UNSTARRED QUESTION NO:3742  
ANSWERED ON:10.09.2007  
FOREIGN COMPANIES IN FUTURES MARKET  
Ahir Shri Hansraj Gangaram

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

- (a) whether the Government has imposed a ban on the Foreign Companies from operating in the commodities Futures Market in the country;
- (b) if so, whether some foreign companies continue to operate in the Futures Market defying the ban imposed by the Government;
- (c) if so, the details thereof and reasons therefor;
- (d) whether the Government is considering any proposal to strengthen the Forward Markets Commission to check illegal trading by Foreign Companies;
- (e) if so, the details thereof and time by which it is likely to be implemented; and
- (f) the other steps being taken by the Government to check operation of Foreign Companies in Futures Market?

**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) : Foreign Companies cannot participate in the commodity futures Markets directly. Foreign Companies through their Indian subsidiaries, however, can participate through registered brokers of the Commodity Exchanges subject to necessary approval/guidelines for foreign investment.
- (b) : There are no foreign companies operating directly in the futures market.
- (c) : Does not arise in view of (b) above.
- (d) to (f): No Sir. The existing provisions of the Forward Contracts (Regulation) Act, 1952 are adequate to deal with any kind of illegal trading including by Foreign Companies.