

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

STARRED QUESTION NO:13
ANSWERED ON:09.11.2010
COMMODITY FUTURES
Reddy Shri Komatireddy Raj Gopal

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

- (a) whether the Government proposes to permit local and foreign institutional investors in commodity futures;
- (b) if so, the details thereof;
- (c) whether the Government also proposes to amend the relevant laws in this regard;
- (d) if so, the details thereof; and
- (e) the benefits likely to accrue to the common man therefrom?

Answer

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

(a) to (e): A Statement is laid on the Table of the House.

STATEMENT REFERRED IN REPLY TO PARTS (a) TO (e) OF LOK SABHA STARRED QUESTION NO.13 FOR 09.11.2010 REGARDING COMMODITY FUTURES.

(a) & (b): No Madam. At present the legal framework of Forward Contracts (Regulation) Act, 1952, which regulates the functioning of the commodity futures market does not provide for registration and regulation of such entities.

(c) to (e): Government is considering introducing a Bill to amend the Forward Contracts (Regulation) Act, 1952. However, currently there is no move to give permission to local and foreign institutional investors to enter the market.