

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:5114
ANSWERED ON:24.04.2015
SETTING UP OF COMMON CLEARING CORPORATION
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Will the Minister of FINANCE be pleased to state:

- (a) whether his Ministry is planning to set up a common clearing corporation for national commodity bourses in order to reduce transaction costs of market participants and strengthen risk management system;
- (b) if so, the details thereof; and
- (c) the time by which the said corporation is likely to be operationalised?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JAYANT SINHA)

(a) to (c): The Ministry of Finance had constituted a Working Group in June, 2014 to prepare a road map and structure for a Common Clearing system for all commodity exchanges in the country in order to reduce transaction cost of market participants and to strengthen the risk management system. The Working Group submitted its Report to the Ministry of Finance in October, 2014. The Report was placed in the public domain for inviting comments of the stakeholders. The recommendations of the Working Group and the comments received are under examination of the Forward Markets Commission and the Ministry of Finance. No time line has been decided in the matter.