

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:2265  
ANSWERED ON:05.12.2014  
ENHANCING FMC POWER  
Charitra Shri Ram

**Will the Minister of FINANCE be pleased to state:**

- (a) whether the Government has issued draft rule to give the commodity markets regulator Forward Markets Commission (FMC) more powers to effectively regulate the intermediaries of the commodity derivatives markets;
- (b) if so, the details thereof;
- (c) whether the Government is considering strengthening the FMC especially after the scam surfaced at the National Spot Exchange Limited; and
- (d) if so, the details thereof?

**Answer**

MINISTER OF FINANCE (SHRI ARUN JAITLEY)

- (a) & (b): Yes Madam. In order to effectively regulate the intermediaries of the commodity derivatives market, the Forward Contracts (Regulation) (Intermediaries) Draft Rules, 2014 has been prepared and was placed in public domain for feedback from public and all stakeholders. The Draft Rules provide, inter alia, for registration of intermediaries, obligations and responsibilities and procedure for inspection and disciplinary actions against intermediaries of the commodity derivatives market.
- (c) & (d): National Spot Exchange Limited has not been under the regulatory supervision of Forward Markets Commission (FMC). However, empowerment of the Forward Markets Commission is an on-going activity. The Government has enhanced the administrative and financial powers of FMC. Besides, FMC has also been granted reasonable independence in engaging professionals, including legal firms and counsels, for enhancing its efficiency and efficacy.