Commodities Markets in India
Panel on commodities markets in India, Emerging Markets
Finance Conference

December 17, 2016
Taking stock since *Finance Act, 2015*:

1. Grandfathering of commodity exchanges as stock exchanges
2. Streamlining risk management framework for national commodity derivative exchanges
3. Requirements for Infrastructure, audit and processes at commodity derivative exchanges
4. Rule for trading on commodity exchanges such as trading hours, position limits, delivery, co-location and proprietary trading
5. Disclosures and price dissemination processes,
6. Penalty structure for market participants for commodity exchanges.
What remains:

1. Convergence of exchange platforms - SEBI
2. Convergence of trading firms - Central Government
3. Convergence in rules of trading - trading hours, algo-trading, permitted order types in algo-trading, etc.
What remains?

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1. Options - allowed, but not as yet?
2. Cash-settled products and indices.
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  2. Foreign portfolio investors
  3. Insurance companies
  4. Others institutional investors such as mutual funds.
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- Warehousing and logistics.
Role for Indian commodities markets on the global stage

1. Regulatory uncertainties:
   - Essential Commodities Act
   - FSSAI grading
   - APMC laws.

2. Bringing margin systems at par with global practice

3. Tax policy