

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

UNSTARRED QUESTION NO:3445
ANSWERED ON:15.05.2006
STRENGTHENING OF FORWARD MARKET COMMISSION
Reddy Shri K. Jayasurya Prakash

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

- (a) whether the Government proposes to strengthen the Forward Markets Commission to effectively regulate and develop the commodity futures markets;
- (b) if so, the details thereof and the steps taken thereon; and
- (c) the success achieved therein?

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) & (b): Yes, Sir. The Government has introduced the Forward Contracts (Regulation) Amendment Bill, 2006 in the Lok Sabha on 21.03.2006. The Bill, inter alia, seeks to strengthen the Forward Markets Commission (FMC) to regulate and develop the commodity futures market more effectively by:

- (i) increasing the number of Members of FMC from four to nine with up to three whole- time Members and a Chairman;
- (ii) enhancing the powers of FMC;
- (iii) conferring power upon FMC to levy fees;
- (iv) providing for registration of intermediaries with FMC;
- (v) creating FMC General Fund to which all receivables will be credited; and
- (vi) conferring power upon FMC to recruit its officers and employees.

(c) : The Bill is yet to be considered and passed by the Parliament.