

Commodities Markets in India

Panel on commodities markets in India, Emerging Markets
Finance Conference

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Convergence that happened

- 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.

Real Convergence: Still a pipe dream?

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.

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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