



भारतीय रिज़र्व बैंक

RESERVE BANK OF INDIA

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November 16, 2017

RBI seeks Comments/Feedback on Report of the Working Group on Hedging of Commodity Price Risk by Residents

The Reserve Bank of India has today placed on its website the [Report of the Working Group on Hedging of Commodity Price Risk by Residents](#) (Chairman: Shri Chandan Sinha, former Executive Director, RBI). Suggestions/comments, if any, on the Report may be forwarded to:

The Chief General Manager, Reserve Bank of India
Financial Markets Regulation Department
1st Floor Mumbai Regional Office,
Shahid Bhagat Singh Marg,
Mumbai – 400001

Or by [email](#) with subject line: **Feedback on Hedging of Commodity Price Risk** by December 15, 2017.

Background:

Exposure of Indian entities to commodity price risks has been accentuated by the growing integration of the Indian economy with the rest of the world and rising volumes of cross border trade. The Reserve Bank of India had set up a working group to review the guidelines for hedging of commodity price risk by residents in the overseas markets during the development phase of our domestic commodity derivative market with the following terms of reference:

- i. Assess the risks faced by resident entities and their hedging requirements,
- ii. Identify gaps in the existing regulatory framework in relation to the hedging requirements viz. coverage of commodities, participants and products,
- iii. Suggest the broad principles for guiding the regulatory regime for overseas hedging of commodity risks,
- iv. Recommend a modified framework for residents hedging commodity risk overseas,
- v. Any other related matter.