

RBI forms panel to review commodities hedging guidelines

The Reserve Bank of India (RBI) on Wednesday set up a working group committee to review the guidelines on hedging of commodity price risk by residents in the overseas markets, drawing members from the central bank, the Securities and Exchange Board of India (Sebi), commercial banks and corporates.

The working group will be headed by Chandan Sinha, RBI's executive director, and will assess the risks faced by resident entities and their hedging requirements, identify gaps in the existing regulatory framework in relation to the hedging requirements, suggest the broad principles for guiding the regulatory regime for overseas hedging of commodity risks and recommend a modified framework for residents hedging commodity risk overseas, RBI said in a statement on its website.

The central bank also invited for suggestions over email from anyone exposed to commodity price risks. The group will submit its report by February 28, 2017.

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