Allowing new derivative products is welcome

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The Budget is a positive policy statement with the potential for long-term transformational effect in the economy. The Finance Minister has announced that new derivative products will be developed by SEBI in the commodity derivatives market, which is a development that participants in the commodity derivatives market have long been waiting for. We hope that SEBI, during 2016-17, will allow the introduction of derivative products like options and trading in indices and intangibles, which can enhance the breadth and depth of the commodity market. The enhancement of investment limit for foreign entities in the Indian stock exchanges from 5 to 15 per cent on par with domestic institutions, is another positive development. We are also happy to note that the government has spelt out the tax incentives to International Financial Services Centres (IFSCs). On the flip side, we are disappointed that the government has not acceded to our long-pending request for reduction, if not the elimination, of CTT.

