

Government of India
Ministry of Finance
Department of Economic Affairs

New Delhi, dated the December 08, 2023

Notification

G.S.R.---- (E) — In exercise of the powers conferred by clause (iii) of Section 3 of the Government Securities Act, 2006 (38 of 2006), the Central Government hereby makes the following Scheme, namely:

1. Short title and commencement-

- (i) This scheme may be called the Sovereign Gold Bond Scheme 2023-24.
- (ii) There will be a distinct Series (starting from Series III) which will be indicated on the Bond issued to the investor.
- (iii) It shall come into force on the date of its publication in the Official Gazette.

2. Definition-

In this Scheme, unless the context otherwise requires:

- a) "Form" means a form appended to this Scheme.
- b) "Receiving office" means the offices or branches of Nationalised Banks, Scheduled Private Banks, Scheduled Foreign Banks (as specified in **Annexure I** to this Notification), designated Post Offices (as specified in **Annexure II** to this Notification), Stock Holding Corporation of India Ltd. (SHCIL), the authorised stock exchanges, and Clearing Corporation of India Limited (CCIL) or any other entity as may be approved by RBI as specified in **Annexure III** to this Notification.
- c) "Stock Certificate" means the Gold Bond issued in the form of Government of India Stock in accordance with Section 3 of the Government Securities Act, 2006.

3. Eligibility for Investment-

The Gold Bonds issued under this Scheme may be held by a Trust, HUFs, Charitable Institution, University or by a person resident in India, being an individual, in his capacity as such individual, or on behalf of minor child, or jointly with any other individual.

Explanation— For the purposes of this paragraph:

- (i) "person" shall have the same meaning as defined in clause (u) of Section 2 of the Foreign Exchange Management Act, 1999 (42 of 1999).
- (ii) the expression "person resident in India" shall have the same meaning as defined in clause (v) of Section 2 of the Foreign Exchange Management Act, 1999 (42 of 1999).
- (iii) "Trust" means a trust constituted/formed as per the Indian Trusts Act, 1882, or a public or private trust constituted or recognized under the provisions of any Central or State law for the time being in force and also an express or constructive trust constituted for either a public religious or charitable purpose or both which includes a temple, a math, a wakf, a church, a synagogue, agiary or any other place of public religious worship, or a dharmada or any other religious or charitable endowment and also a society, formed either for a religious

or charitable purpose or for both, registered under the Societies Registration Act, 1860 or under any other law for the time being in force in India.

(iv) "Charitable Institution" means a company registered under Section 25 of the Indian Companies Act, 1956 or under Section 8 of the Companies Act, 2013; or an institution, which has obtained a Certificate of Registration as a charitable institution in accordance with a law in force; or Any institution which has obtained a certificate from an Income Tax Authority for the purposes of Section 80G of the Income Tax Act, 1961.

(v) "University" means a university established or incorporated by a Central, State or Provincial Act, and includes an institution declared under Section 3 of the University Grants Commission Act, 1956 (3 of 1956), to be a university for the purposes of the Act.

4. **Denomination, Subscription limit and Pricing-**

(i) The bonds will be issued in denominations of one gram of gold or multiples thereof.

Provided that the minimum limit of subscription for the Bonds issued shall be of one gram and maximum limit of subscription per fiscal year shall be of four kg for individuals, four kg for Hindu Undivided Family (HUF) and 20 kg for trusts and similar entities notified by the Government from time to time;

Provided that in case of joint holding, the above limits shall be applicable to the first applicant only;

Provided that the annual ceiling will include bonds subscribed under different tranches during initial issuance by Government and those purchased from the secondary market; and

Provided further that the ceiling on investment will not include the holdings as collateral by banks and other Financial Institutions.

(ii) The nominal value of Gold Bonds shall be in Indian Rupees fixed on the basis of simple average of closing price of gold of 999 purity, published by the India Bullion and Jewellers Association Limited, for the last 3 working days of the week preceding the subscription period.

(iii) The issue price of the Gold Bonds will be less than the nominal value by ₹50 per gram to those investors applying online and making the payment against the application through digital mode.

5. **Procedure for making application for subscription to Gold Bonds-**

(i) Any person who is desirous of subscribing to the Gold Bonds shall apply to any Receiving office in **Form 'A'** or in any other form as near as thereto, clearly stating the grams of gold, full name and address of the applicant/s.

(ii) Every application shall contain such documents and particulars as specified in the instructions contained in the Application Form.

(iii) Every application must be accompanied by the 'PAN Number' issued by the Income Tax Department to Individuals and other entities.

(iv) On receipt of an application under sub paragraph (i), the Receiving office shall issue an acknowledgment receipt in **Form 'B'** if all requirements of the application are fulfilled.

(v) An incomplete application is liable to be rejected.

6. **Date and form of issue of Gold Bonds-**

(i) The Gold Bonds shall be issued in the form of a Stock Certificate, as specified in **Form 'C'** on the date of issue of respective tranches as mentioned in the para 8 of this Notification.

(ii) The Gold Bonds shall be eligible to be converted into Demat form.

7. **Period of subscription-**

The subscription to the Gold Bonds under this Scheme shall remain open as specified in Section 8 below.

Provided that the Central Government may, with prior notice, close the Scheme at any time before the period specified above.

8. **Calendar of Issuance-**

S. No.	Tranche	Period of Subscription	Date of Issue
- 1.	2023-24 Series III	December 18 – December 22, 2023	December 28, 2023
2.	2023-24 Series IV	February 12 – February 16, 2024	February 21, 2024

9. **Interest-**

(i) The interest on the Gold Bonds shall commence from the date of issue and shall be paid at a fixed rate of 2.50 percent per annum on the nominal value of the bond.

(ii) The interest shall be payable in half-yearly rests and the last interest shall be payable along with the principal on maturity.

10. **Receiving Offices-**

The Receiving Offices shall be authorised to receive applications for the bonds either directly or through agents.

11. **Payment Options-**

(i) All payments for Gold Bonds shall be accepted in Indian Rupees through cash (up to a maximum of ₹20,000/-) or demand draft, or cheque, or electronic banking.

(ii) Where payment is made through cheque or demand draft, the same shall be drawn in favour of the Receiving Office.

12. **Redemption-**

(i) The Gold Bonds shall be repayable on the expiration of eight years from the date of the issue of the Bonds:

Provided that premature redemption of Gold Bonds may be permitted after fifth year from the date of issue of Bonds and such repayments will be made on the date on which interest is payable,

(ii) On maturity/premature redemption, the Gold Bonds shall be redeemed in Indian Rupees and the redemption price shall be based on simple average of closing price of gold of 999 purity of previous three working days, published by the India Bullion and Jewellers Association Limited.

(iii) The RBI / depository shall inform the investor one month in advance, about the date of maturity of the Bond.

13. **Eligibility for Statutory Liquidity Ratio-**

Bonds acquired by the banks through the process of invoking lien/hypothecation/pledge alone, shall be counted towards Statutory Liquidity Ratio.

14. **Loan against Bonds-**

(i) The Gold Bonds issued under this Scheme may be used as collateral security for availing any loan. Such loans could be granted by marking lien on Gold Bonds appropriately.

(ii) The Loan to Value ratio as applicable to any ordinary gold loan mandated by the Reserve Bank of India shall also apply to the Bonds issued under this Scheme.

Note: The loan against Gold Bonds would be subject to decision of the bank/financing agency, and cannot be inferred as a matter of right.

15. **Tax Treatment-**

The interest received on the Gold Bond shall be taxable as per the provisions of the Income-tax Act, 1961 (43 of 1961). The capital gains tax arising on redemption of these bonds to an individual is exempted. The indexation benefits will be provided for the long-term capital gains arising to any person on transfer of bond.

16. **Nomination-**

(i) Nomination of and its cancellation shall be made in **Form 'D'** and **Form 'E'**, respectively, in accordance with the provisions of the Government Securities Act, 2006 (38 of 2006) and the Government Securities Regulations, 2007, published in part III, Section 4 of the Gazette of India dated the 1st December 2007.

(ii) An individual Non-Resident Indian may get the security transferred in his name on account of he being a nominee of a deceased investor;

Provided that the Non-Resident investor shall need to hold the security till premature redemption or till maturity;

Provided further that the interest and maturity proceeds of the investment shall not be repatriable.

17. **Transfer of Gold Bonds-**

The Gold Bonds issued in the form of Stock Certificate are transferable by execution of an Instrument of transfer as in **Form 'F'**, in accordance with the provisions of the Government Securities Act, 2006 (38 of 2006) and the Government Securities Regulations, 2007, published in part III, Section 4 of the Gazette of India dated the 1st December 2007.

18. **Trading of Gold Bonds-**

The Gold Bonds shall be eligible for trading.

19. **Commission for mobilizing subscription-**

The commission for mobilising subscription towards these bonds shall be paid at the rate of Rupee One per Hundred Rupees of the total subscription received by the Receiving Offices and Receiving Offices shall share at least 50% of the commission so received with the agents or sub agents for the business procured through them.

20. All other terms and conditions specified in the notification of Government of India, Ministry of Finance (Department of Economic Affairs) vide number F. No.4 (2) W&M/2018, dated the 27th March, 2018 shall apply to the Gold Bond issued under this scheme.

By Order of the President of India
[F. No. 4(6)-B(W&M)/2023]


(Ashish Vachhani)

Additional Secretary to the Government of India

Dated: December 08, 2023