

May 8, 2007

All the banks authorised to import Gold/Silver

Dear Sir,

**Import of Gold Coin - Tie-up arrangements**

Under the Gold import authorisation scheme as envisaged in AD (GP Series) Circular No. 7 dated March 6, 1998 issued by our Foreign Exchange Department, we have been authorizing banks as Nominated Banks to import gold for sale to jewellery manufacturers, exporters and domestic users.

2. It has now been brought to our notice that some of the Nominated banks authorised to import gold are reportedly having tie-up arrangements with non-nominated banks/non-banking financial companies/co-operative banks for retailing of imported gold/gold coins.

3. In this connection, it is advised that Nominated banks should not enter into any tie up arrangements for retailing of gold/gold coins with any other entity including non-banking financial companies/co-operative banks/non-nominated banks.

4. Please acknowledge receipt.

Yours faithfully,

(Vinay Bajjal)  
Chief General Manager