



RBI/2012-13/415

DBOD.No.IBD.BC.81/23.67.001/2012-13

February 14, 2013

All Scheduled Commercial Banks  
authorized to deal in Gold

Dear Sir / Madam

### **Gold Deposit Scheme**

The Central Government, with a view to bringing privately held stock of gold in circulation, reduce the country's reliance on import of gold and providing its owners with some income apart from freeing them from the problems of storage, movement and security of gold in their possession, had notified Gold Deposit Scheme 1999 on September 14, 1999. Accordingly, Reserve Bank of India vide circular No IBS 912/23.67.001/99-2000 dated October 5, 1999 had formulated guidelines for Gold Deposit Scheme to enable banks authorized to deal in gold to prepare their own Gold Deposit Schemes.

2. The Central Government (Department of Financial Services, Ministry of Finance) has now issued a Notification No.G.S.R.46(E) dated January 24, 2013 ([copy enclosed](#)) enabling Mutual Funds/Exchange Traded Funds registered under SEBI (Mutual Fund) Regulations to deposit part of their gold with the banks under the scheme.

3. In view of the above, the guidelines enclosed with our circular dated October 5, 1999 for operation of the Gold Deposit Scheme have been modified as under:

- (i) Under para 5, presently the banks may either issue a passbook/statement of account or a certificate/bond to the depositors for deposit of gold, which will be transferable by endorsement and delivery.

In terms of the Government Notification dated January 24, 2013, the Gold Certificate would also mean the final receipt, in dematerialised form or otherwise, issued to a subscriber of the Scheme after the gold tendered by him has been assayed as specified in para (ii) below and accepted as deposit by the bank. The gold deposit certificate shall be transferable by endorsement and delivery, as hitherto. However, in case of certificates issued in dematerialized form, the depository rules for transfer would apply.

- (ii) Under para 6 it is stated that there will be a preliminary assay to ascertain gold content/caratage in jewellery by a non-destructive technique such as X-Ray/karat meter followed by a fool-proof method like fire assay.

It has now been decided that the exception from fire assay / destructive assay will be provided for physical Gold tendered by Mutual Funds/ Gold Exchange Traded Funds approved by SEBI and complying with the Good delivery norms of the London Bullion Market Association (LBMA) having a fineness of 995.0 parts per thousand accompanied by a certificate acceptable to the designated bank.

- (iii) Under para 7, the Resident Indians (Individuals, HUF, Trusts, Companies) may invest in the scheme.

In terms of the Government Notification dated January 24, 2013 referred to above, a Trust including Mutual Funds/Exchange Traded Funds registered under SEBI (Mutual Fund) Regulations may deposit under the scheme.

- (iv) Para 12 states that the deposits may be made available within a maturity range from three to seven years.

It has now been decided to change the maturity period, of gold deposits, ranging from six months to seven years.

- (v) Para 22 mandates that details of the scheme designed date from which it will be operational and the branches from which it will be operated, may be advised by the banks proposing to introduce a gold deposit scheme to RBI for obtaining its approval.

It has now been decided that authorised banks would not be required to obtain prior approval of RBI for introducing the scheme. Banks should, however, inform the details of the scheme including names of branches operating the scheme to RBI. Banks would be required to report the gold mobilised under the scheme by all branches in a consolidated manner on a monthly basis in the revised format ([copy enclosed](#)).

4. Other guidelines enclosed with the above mentioned circular, as amended from time to time, will remain unchanged.

Yours faithfully,

(Rajesh Verma)  
Chief General Manager

Encls: as above