



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA
www.rbi.org.in

RBI/2017-18/164

IDMD.CDD.No.2652/14.04.050/2017-18

April 13 2018

The Chairman & Managing Director
All Scheduled Commercial Banks
(Excluding RRBs)
Designated Post Offices
Stock Holding Corporation of India Ltd.(SHCIL)
National Stock Exchange of India Ltd. & Bombay Stock Exchange Ltd.

Dear Sir/Madam,

Sovereign Gold Bond Scheme 2018-19 Series-I, Operational Guidelines

This has reference to the [Gol notification F.No.4\(8\)-W&M/2018](#) and [RBI circular IDMD.CDD.No.2651/14.04.050/2017-18 dated April 13 2018](#) on the Sovereign Gold Bonds,. [FAQs](#) in this regard have been placed on our website (www.rbi.org.in). Operational guidelines with regard to this scheme are given below:

1. Application

Application forms from investors will be received at branches during normal banking hours from April 16, 2018 to April 20, 2018. Receiving Offices need to ensure that the application is complete in all respects as incomplete applications are liable to be rejected. Relevant additional details may be obtained from the applicants, where necessary. The Receiving Offices may make arrangements to enable the investors to apply online, in the interest of better customer service

2. Joint holding and nomination

Multiple joint holders and nominees (of first holder) are permitted. Necessary details may be obtained from the applicants as per practice. An individual Non - resident Indian may get the security transferred in his name on account of his being a nominee of a deceased investor provided that:

- i. the Non-Resident investor shall need to hold the security till early redemption or till maturity;
and
- ii. the interest and maturity proceeds of the investment shall not be repatriable.

3. Know-Your-Customer (KYC) requirements

Know-Your-Customer (KYC) norms shall be the same as that for purchase of physical form of gold. Identification documents such as passport, Permanent Account Number (PAN) Card, Voter's Identity Card, Aadhaar card shall be required. In case of minors only, the bank account number may also be considered as valid for KYC verification. KYC will be done by the banks/SHCIL offices/Post Offices/designated stock exchanges/agents. It may be ascertained from the investor, if he/she has

made a previous investment in SGBs or IINSC-C and hence in possession of an Investor ID. If so, the investments may be made under the unique Investor ID only.

4. Interest on application money

Applicants will be paid interest at prevailing savings bank rate from the date of realization of payment to the settlement date, i.e. the period for which they are out of funds. In case the applicant's bank account is not with the receiving bank, the interest has to be credited by electronic fund transfer to the account details provided by the applicant

5. Cancellation

Cancellation of application is permitted till the closure of the issue, i.e. April 20, 2018. Part cancellation of submitted request for purchase of gold bonds is not permitted. No interest on application money needs to be paid if the application is cancelled.

6. Lien marking

As the bonds are government securities, lien marking, etc. will be as per the extant legal provisions of Government Securities Act, 2006 and rules framed there under.

7. Agency arrangement

Receiving Offices may engage NBFCs, NSC agents and others to collect application forms on their behalf. Banks may enter into arrangements or tie-ups with such entities. Commission for distribution shall be paid at the rate of Rupee one per hundred of the total subscription received by the receiving offices on the applications received 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.

8. Processing through RBI's e-Kuber system

Sovereign Gold Bonds will be available for subscription at the Receiving Offices through RBI's e-Kuber system. The e-Kuber system can be accessed either through INFINET or Internet. The Receiving Offices need to enter the data or carry out bulk upload for the subscriptions received by them. They may ensure accuracy of entry of data to prevent occurrence of any inadvertent errors. An immediate confirmation will be provided to them for receipt of application. In addition, a confirmation scroll will be provided for file uploads to enable the Receiving Offices to update their database. On the date of allotment, Certificates of Holding will be generated for all the subscriptions in the name of the sole/principal holder. The Receiving Offices can download the same and take printouts. The Certificates of Holding will also be sent through e-mail to the investors who have provided their email address. The securities will be credited in their de-mat accounts by the depositories, in due course, subject to matching of particulars furnished in the application with the depositories' records.

9. Printing Certificates of Holding

Holding Certificate needs to be printed in colour on A4 size 100 GSM paper.

10. Servicing and follow up

Receiving Offices will "own" the customer and provide necessary services with regards to this bond e.g. update contact details, receive requests for premature encashment, etc. Receiving Offices will be required to preserve applications till the bonds are matured and are repaid.

11. Tradability

The Bonds shall be eligible for trading on a date notified by the Reserve Bank of India. (It may be noted that only bonds held in demat form with depositories can be traded in stock exchanges)

12. Contact details

Any queries/clarifications may be e-mailed to the following:

(a) Sovereign Gold Bond related: Please [click here](#) to send email.

(b) IT related: Please [click here](#) to send email.

Yours faithfully,

Sd/

(Shyni Sunil)

Deputy General Manager