

## **Clarification on Gold Deposit Scheme**

**November 12, 1999**

Some clarifications have been sought as to whether the acceptance of gold under the gold deposit scheme is restricted only to gold in scrap form. The Reserve Bank of India has, therefore, clarified for the information of the general public that gold in any form such as ornaments, jewellery, coins, bars etc. may be tendered by the depositor to the bank authorised to accept such a deposit. The bank will then make a preliminary assay without breaking or changing the form of the tendered items, to ascertain the actual gold content therein. At this stage if the depositor does not agree with the assay results or for any other reason wants to withdraw the tender, he/she may withdraw the tender. In case, however the tenderer agrees to go ahead with the process and makes the deposit, there will be a second assay, which will mostly be fire assay, a process which reduces gold into scrap form. Certificate/bonds will be issued to the depositors on the basis of the results of the second assay. The detailed procedures and charges if any will be decided by each bank.

State Bank of India has already been allowed to operate the scheme. Other banks also are considering launching similar schemes.

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