

# CIRCULAR

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Category

Trading Operations

Segment

Spot

Subject

Revision in circular no. 20220707-1 - Issuance of Authorised Dealer (AD) Bank Letter for advance remittance of USD by Qualified Jewellers

Attachments

- No Attachment



## INDIA INTERNATIONAL BULLION EXCHANGE IFSC LTD.

To

**Qualified Jewellers, Authorised Dealer Banks, IBU Clearing Banks in Gift IFSC and Members**

**Subject: Revision in circular no. 20220707-1 - Issuance of Authorised Dealer (AD) Bank Letter for advance remittance of USD by Qualified Jewellers**

Pursuant to Standard Operating Procedure for Qualified Jeweller issued by International Financial Services Centres Authority (IFSCA) vide circular no. 329/IFSCA/DPM/TS/QJ/2022-23/2 dated August 05, 2022, the following revision is made in IIBX circular no. 20220707-1.

With reference to the RBI circular no. RBI/2022-2023/57 A.P. (DIR Series) Circular No.04 dated May 25, 2022 regarding 'Guidelines on import of Gold by Qualified Jewellers as notified by – The International Financial Services Centers Authority (IFSCA)', **the Operating Procedure of India International Bullion Exchange IFSC Limited (IIBX) are detailed below:**

- a. Qualified Jeweller (QJ) shall send to IIBX through their registered email address, a request for 'Authorised Dealer (AD) Letter' for advance remittance of USD detailing quantity & purity of Gold to be imported. QJ shall send email on [trading.operations@iibx.co.in](mailto:trading.operations@iibx.co.in).
- b. Basis the above request, IIBX shall issue a system generated digitally signed 'AD letter' which shall contain the amount of US Dollars to be remitted, AD bank details of QJ and the Unique Client Code (UCC) of QJ etc. This AD letter would be valid for two business days from the date of issuance. The list of IIBX holidays for every month are uploaded on the website.
- c. This document shall be the basis on which AD bank may allow Qualified Jewellers to remit advance payment towards import of Gold through IIBX.
- d. Qualified Jeweller (QJ) is required to submit this AD letter issued by IIBX, to the AD bank for remitting the US dollars for the purpose of only importing Gold through IIBX.
- e. The Qualified Jeweller shall also give to AD banks, the details of the Members of the IIBX through which they are transacting along with the designated Client account numbers (also uploaded under Membership Directory on IIBX website) of their respective Members.

- f. The AD bank shall remit the US Dollars to the bank accounts (known as Client accounts) maintained by Bullion Trading Members and/or Bullion Clearing Members as the case may be, with the IFSC Banking Units (IBUs), acting as Clearing Banks authorised by IIBX from time to time. The details of Clearing Banks are available on the website of IIBX. The AD bank in India shall ensure to check the correct designated Client account of the Members. The present details of Client account numbers of the Members with respective Clearing Banks are uploaded on website of IIBX. AD Bank shall remit the US dollars only in these accounts while giving details of the UCC number of the Qualified Jeweller in their remittance instructions such as SWIFT etc.
- g. The Clearing banks shall ensure that the amount of advance remittance received from a Qualified Jeweller through a Bullion Clearing Member, for purchase of Bullion Depository Receipt (import of Gold), shall be credited in the designated Client account and shall be ringfenced by the clearing banks by restricting any debits from the accounts other than for applicable charges, pay-out for purchase of BDRs or towards refund of excess/unutilised amount, within the specified time limit of 11 (calendar) days from the date of remittance. The clearing banks shall prohibit any credits to such accounts maintained, except for any fresh inward remittance through the AD bank in India as advance payment by the Qualified Jeweller for purchase of BDR. The Clearing Banks shall ensure that the inward remittance received through the AD bank in India as advance remittance for the purchase of BDR is only credited in the designated Client account of the Member.
- h. Qualified Jewellers to ensure that any unutilised balance of US Dollars is refunded back to their respective AD bank accounts by their Bullion Trading member and/or Bullion Clearing member within 11 (calendar) days from the date of remittance as per RBI Circular no. RBI/2022-2023/57 A.P. (DIR Series) Circular No.04 dated May 25, 2022.
- i. Clearing banks will also ensure that the unutilised balance of US Dollars of Qualified Jewellers are refunded back to the same AD bank from where the funds were remitted within the 11 (calendar) days from the date of remittance.
- j. All Bullion Trading Members and / or Bullion Clearing Members as the case may be, will maintain record of each USD advance remittance received from the AD banks of Qualified Jewellers in the format specified as per circular 20220812-1. This format will necessarily include the date of USD remittance as advance by the AD banks. All Members shall ensure that within 11 (calendar) days from the date of remittance, any unutilised balance of US Dollars received for import of Gold is refunded back to the respective AD bank accounts of Qualified Jewellers.

**For and on behalf of  
India International Bullion Exchange IFSC Limited**

**Authorised Signatory**