



RESERVE BANK OF INDIA
Foreign Exchange Department
Central Office
Mumbai - 400 001

RBI/2012-13/520
A.P. (DIR Series) Circular No.107

June 4, 2013

To

All Scheduled Commercial Banks which are
Authorised Dealers (ADs) in Foreign Exchange/ All agencies
nominated for import of gold

Madam/Sir

Import of Gold by Nominated Banks /Agencies

Attention of Authorised Persons is drawn to our [A.P. \(DIR Series\) Circular No. 103 dated May 13, 2013](#) on the captioned subject in terms of which, it was decided to restrict the import of gold on consignment basis by banks, only to meet the genuine needs of the exporters of gold jewellery. It has now been decided to extend the provisions of this circular to all nominated agencies/ premier / star trading houses who have been permitted by Government of India to import gold. Accordingly, any import of gold on consignment basis by both nominated agencies and banks shall now be permissible only to meet the needs of exporters of gold jewellery.

2. It has further been decided that all Letters of Credit (LC) to be opened by Nominated Banks / Agencies for import of gold under all categories will be only on 100 per cent cash margin basis. Further, all imports of gold will necessarily have to be on Documents against Payment (DP) basis. Accordingly, gold imports on Documents against Acceptance (DA) basis will not be permitted. These restrictions will however not apply to import of gold to meet the needs of exporters of gold jewellery.

3. The above instructions will come into force with immediate effect. ADs may bring the contents of this circular to the notice of their constituents and customers concerned. They are also advised to strictly ensure that foreign exchange transactions effected by / for their constituents are compliant with these instructions in letter and spirit.

4. All other instructions relating to import of gold issued from time to time shall remain unchanged.

5. The directions contained in this circular have been issued under Section 10(4) and Section 11(1) of the Foreign Exchange Management Act (FEMA), 1999 (42 of 1999) and are without prejudice to permissions / approvals, if any, required under any other law.

Yours faithfully,

(C D Srinivasan)
Chief General Manager