



## **GJEPC hails Atmanirbharta proposed by the Government in the Gold Monetisation Scheme**

***Gold import to reduce by over 30 percent in 3 years***

**Mumbai, February 12, 2021:** The Gem and Jewellery Export Promotion Council of India (GJEPC), the apex body for promotion of gems and jewellery exports, hails Government of India for the latest amendments made in the Gold Monetisation Scheme. GJEPC lauds Government's decision of inclusion of jewellers as CPTCs and introduction of SoP for retailers on how to operate under GMS. The Council is hopeful that the Indian Bank Association will ensure seamless operation of GMS with the help of jewellers.

Revamped Gold Monetisation Scheme covers several aspects to make it more accessible and simple which include - enhancement of participation by banks in GMS; Dematerialisation of MTGD and LTGD deposit certificates to make them tradable and mortgageable; incentivise jewellers to participate in R-GDS – Jewellers/Refiners to be engaged as gold Mobilisation Agent and Collection and Purity Testing Centres (CPTCs); the minimum deposit at any one time shall now be 10 grams; banks to be permitted to buy standard locally refined/sourced gold from refineries and gold spot exchanges, etc.

Gold Monetisation Scheme has enhanced the participation of banks. The Govt. has said that all public sector banks shall be allowed to participate in GMS and provide the revamped GMS scheme on demand. Up to one third branches of public sector banks in all towns should be designated as GMS service branches. The government has also proposed participation of private banks under GMS.

**Colin Shah, Chairman, GJEPC said,** "Our deepest gratitude to Smt. Nirmala Sitharaman, Hon'ble Minister of Finance for accepting and incorporating all the recommendations of the GJEPC in the amended Gold Monetisation Scheme (GMS). We hail the Government's decision of inclusion of jewellers as CPTCs and introduction of SoP for retailers on how to operate under GMS. We hope that the Indian Bank Association will ensure seamless operation of GMS with the help

of jewellers. The revamped Gold Monetisation Scheme is a win-win for all as it will unlock tonnes of unused gold in India. This will not only benefit the consumer, retailer and banks, but the nation as well.”

**Further Colin Shah** said, “It is estimated that India imports around 700 tonnes gold every year and is second largest gold consumption after China. The dependency of gold import will come down significantly as there will be local gold metal in the system. We anticipate the percent of gold import in the next 3 years will gradually reduce by 30 percent which will help the country with our current account deficit.”

In order to enthruse jewellers to participate in the GMS, jewellers to be engaged as gold mobilization agents and CPTCs. Jewellers/ jeweller chains to be encouraged to set up BIS approved CPTCs, wherein they would be paid in line with the current guidelines as applicable to CPTCs. Jewellers may also be appointed as GMS mobilization, Collection and Testing Agent (‘GMCTA’), wherein they shall assay, refine, undertake vaulting, movement of refined gold to banks as per the revised bi-partite agreement. However, jewellers certified as CPTCs by BIS alone will be considered for being inducted as GMCTA and additional eligibility conditions may be set by IBA. For jewellers appointed as GMCTA, remuneration of upto 1.5% of the value of gold mobilized may be paid to them.

IBA shall issue detailed guidelines including eligibility conditions, incentive/ handling charges to the GMCTA and standard operating procedures in consultation with stakeholders.

**K Srinivasan, Convener, Gold Jewellery & Other Precious Metal Jewellery Panel Committee, GJEPC** “I would like to thank the Government for considering our recommendations for the Revamped Gold Monetisation Scheme. Including jewellers as Collection and Purity Testing Centres (CPTCs) is a welcome move. Jewellers will be benefited as it’s an additional revenue for them and they will ensure that the scheme will be a great success as they can easily convince their existing customers to park their gold in the GMS.”

The minimum deposit of one time has been capped at 10 grams of gold (bars, coins, jewellery excluding stones and other metals). It has been proposed that there will be no higher limit under the R-GDS scheme.

Gold mobilized under MLGTD will be used for leasing to banks for online lending under GML. SBI has been designated as the custodian of MLGTD gold and will

operate a scheme of gold leasing under GMS bullion to other banks for on-lending for GML.

**About The Gem and Jewellery Export Promotion Council (GJEPC)**

The Gem & Jewellery Export Promotion Council (GJEPC), set up by the Ministry of Commerce, Government of India (GoI) in 1966, is one of several Export Promotion Councils (EPCs) launched by the Indian Government, to boost the country's export thrust, when India's post-Independence economy began making forays in the international markets. Since 1998, the GJEPC has been granted autonomous status. The GJEPC is the apex body of gems & jewellery industry and today represents 7000 exporters in the sector. With headquarters in Mumbai, GJEPC has Regional Offices in New Delhi, Kolkata, Chennai, Surat and Jaipur, all of which are major centres for the industry. It thus has a wide reach and is able to have a closer interaction with members to serve them in a direct and more meaningful manner. Over the past decades, GJEPC has emerged as one of the most active EPCs, and has continuously strived to both expand its reach and depth in its promotional activities as well as widen and increase services to its members.