



Bullion Market Ecosystem in GIFT IFSC

International Financial Services
Centres Authority
(IFSCA)



GIFT City



Area

886 acres (261 acres as SEZ and 625 acres as DTA)



Tri-City Ecosystem

Located on the banks of the Sabarmati River between Ahmedabad and Gandhinagar, each 30 minutes away from one other



Smart city

State of the art infrastructure such as District Cooling System (DCS), Automated Waste Collection System (AWCS), and Underground Utility Tunnel (UUT)



Gujarat International Finance-Tec City (GIFT City)

Business District

A hub for global and domestic enterprises



SEZ

Special Economic Zone with financial services

(IFSC)



Smart City Features

Advanced infrastructure systems



DTA

Domestic Tariff Area for business operations

Infrastructure

State-of-the-art utility systems



Overview of IFSCA

Unified Regulatory Body

IFSCA established as a unified regulator to promote a world-class regulatory environment and ease of doing business.

Regulatory Powers Granted

IFSCA is granted regulatory powers equivalent to four major Indian financial regulators (SEBI, RBI, IRDAI, PFRDA).

Statutory Mandate

IFSCA receives a legal mandate to develop and regulate financial institutions within IFSCs in India.

IFSCA Established

The formation of the IFSCA as a regulatory body (Under IFSCA Act 2019 passed by the Union Parliament)



IFSC Business Activities

Asset Management

- Fund Management Entities
- Investment Funds
- Investment Advisers
- Portfolio Management Services
- Registered Distributors

Capital Markets

- Stock Exchanges
- Clearing Corporations
- International Depositories
- Broker Dealers
- Investment Bankers
- Custodians
- Depository Participants

Banking

- Indian Banks
- Foreign Banks
- Global Administrative Office

Insurance

- Indian & Foreign Insurers
- Indian & Foreign Reinsurers
- Insurance Intermediaries
- Insurance Web-Aggregators

Specialised Financial Businesses

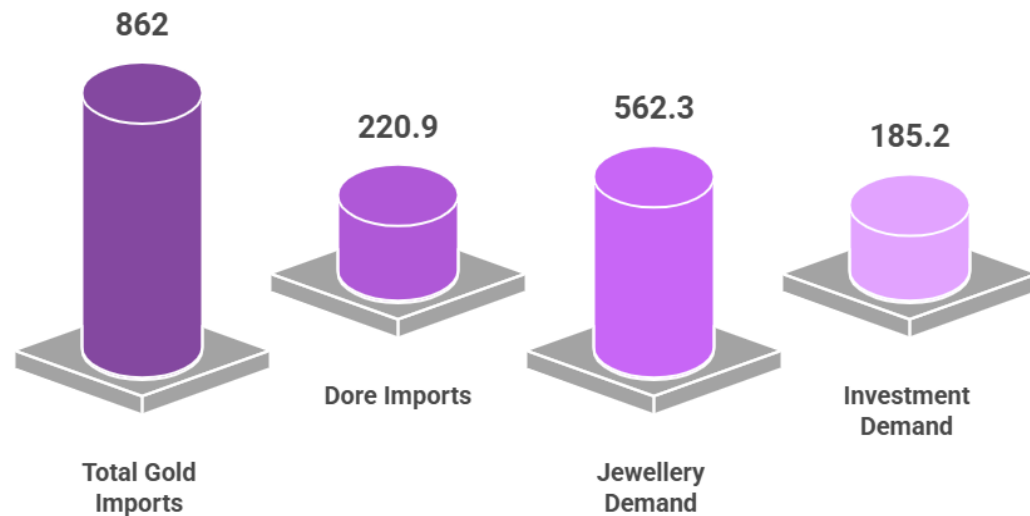
- International Bullion Exchange
- Finance Companies
- Global Treasury Centres
- ITFS Platforms
- Aircraft Leasing & Financing
- Ship Leasing & Financing

Emerging Businesses

- Fintechs and TechFins
- Global in-House Centres
- Sustainable Finance
- Foreign Universities & Institutions
- Ancillary Service Providers

Bullion Market-India

India's Gold Import and Demand Trends in 2023 (in tonnes)



Key Factors influencing India's Gold and Silver Market

Contribution of Silver to Renewable Energy

The impact of renewable energy initiatives on silver metal demand.



Gold Imports

The total amount of gold imported into India.



Investment Demand

The growth in gold investment in India.



Silver Demand

The increasing demand for silver in India.



Jewellery Demand

The demand for gold jewellery in India.



NITI Aayog Report

'Transforming India's Gold Market' Report was finalized and submitted to the Government for consideration in February 2018.



Committee Constitution

NITI Aayog forms a committee to explore gold market potential



Stakeholder Gathering

Diverse stakeholders, including government and industry, were assembled



In-depth Consultations

The committee engaged in detailed discussions with subgroups



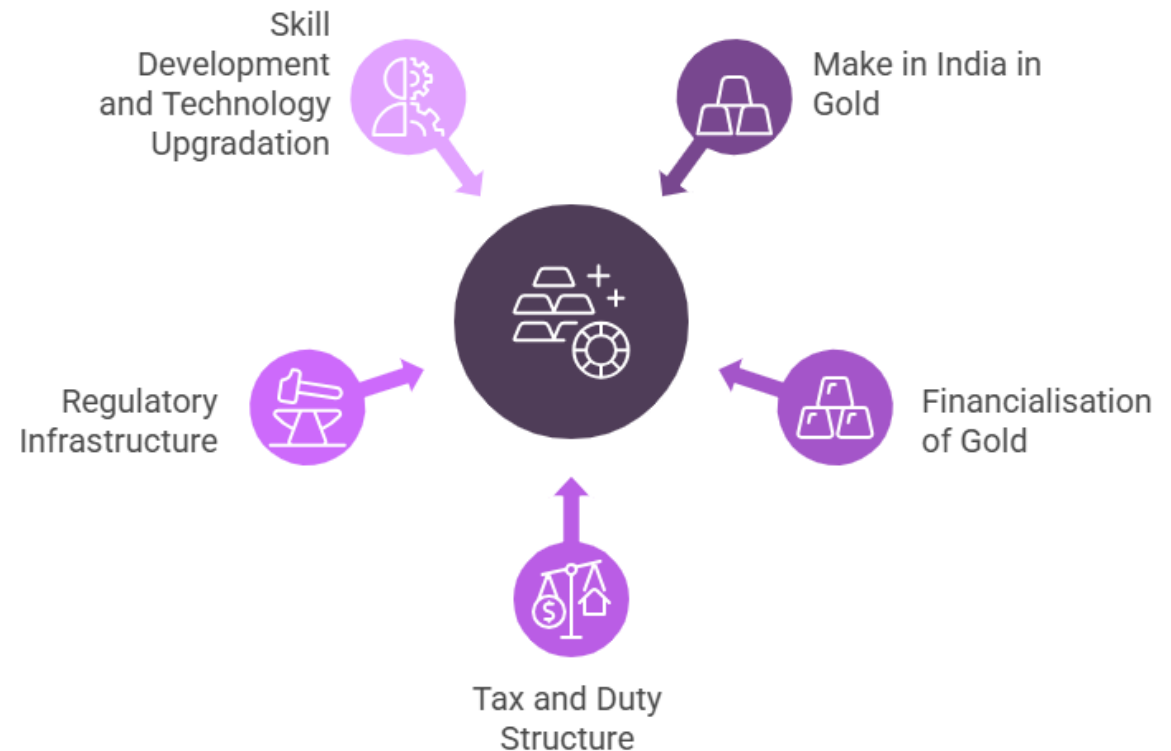
Strategic Deliberations

Focused on policy strategies to enhance exports and employment

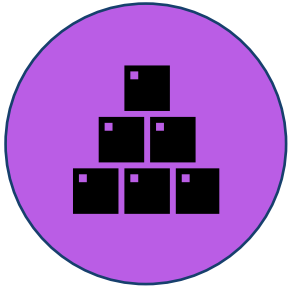


Report Submission

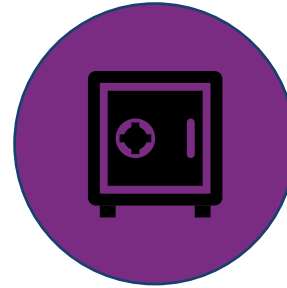
Focus Areas



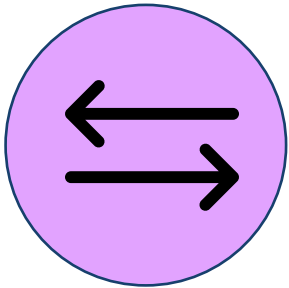
Recommendations of NITI Aayog Report



Allow import of gold in India through GIFT City.



Create a set of vaults in GIFT-IFSC for gold that adhere to standards set by the regulator.



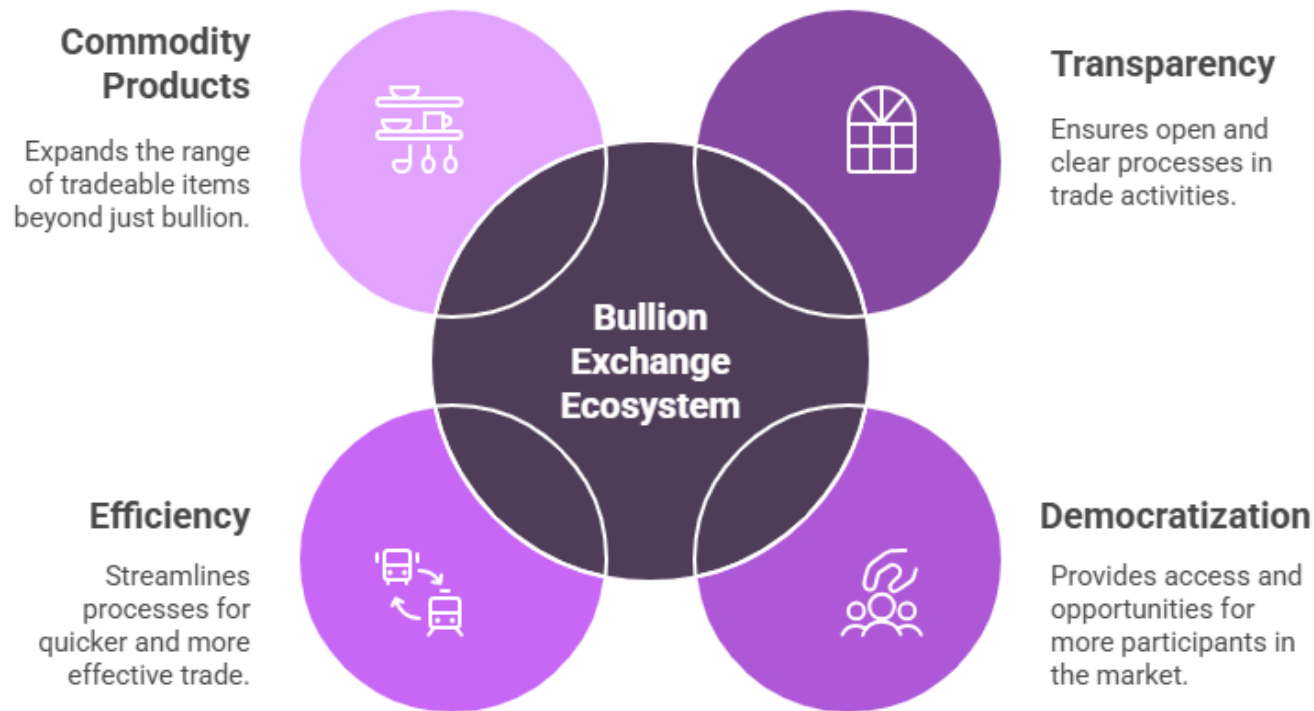
Vaults to work with the proposed Bullion Exchange being setup in India for distribution of the same in the local markets.



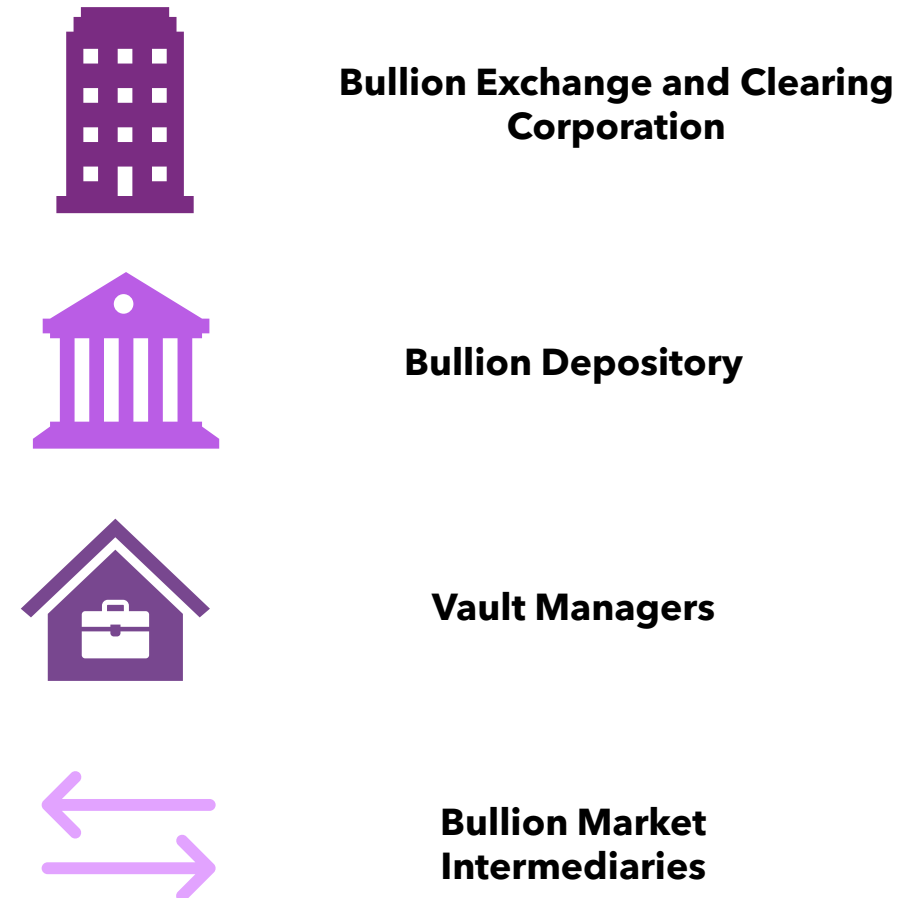
Allow trading with global markets, which can create a vibrant marketplace that helps in price discovery, with potential for India to be the price setter in the gold commodity.

Indian Bullion Market- Transformation

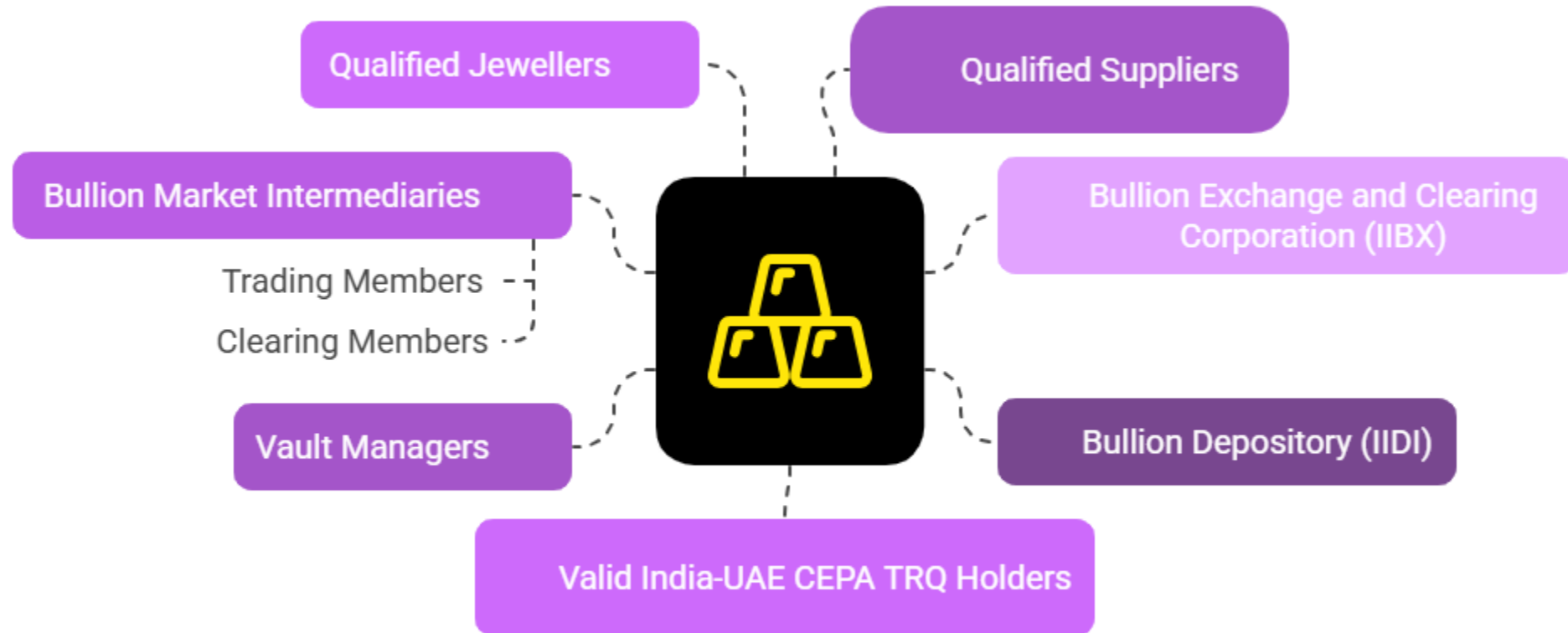
Transforming the Bullion Market



Developing a Regulated Ecosystem



Bullion Market Ecosystem in IFSC



Establishment of IIBX



INAUGURATION

29th July 2022, by the Hon'ble PM,
Shri Narendra Modi



LOCATION

GIFT-IFSC, Gandhinagar,
Gujarat, India



REGULATOR

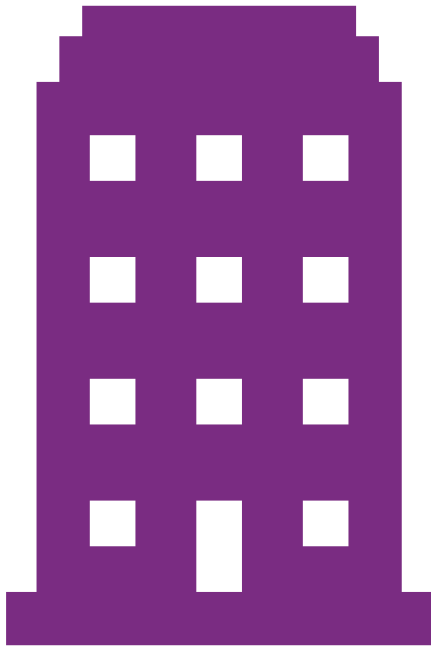
IFSCA



"India is a very big market in the field of gold and silver today. But should that be the only identity of India? The identity of India should also be that of a market maker. IIBX is an important step in this direction. IIBX will also provide opportunities to trade in gold directly through the exchange. As the gold trading market becomes organized, the demand for gold in India will also impact and determine the gold prices."

Hon'ble Prime Minister of India
Shri Narendra Modi

Bullion Exchange and Clearing Corporation



IIBX

India International Bullion Exchange IFSC Limited (IIBX) is an IFSCA registered Market Infrastructure Institution operating as a Bullion Exchange and Bullion Clearing Corporation in GIFT IFSC.

Currently, as a Bullion Exchange, it provides platform that offers trading in products related to bullion (gold and silver).

IIBX's role as a Clearing Corporation is to act as a central counter party for clearing and settlement of all the trade executed on the Bullion Exchange.

Bullion Depository



IIDI

GIFT IFSC has a single depository named India International Depository IFSC Ltd (IIDl) which has also been designated as a Bullion Depository.

The role of IIDl is to perform the function of issuance of Bullion Depository Receipt (BDR) in electronic form for trading on the Bullion Exchange.

It also performs the function of overseeing the storage and safeguarding of bullion through the vault managers.

IIDI also ensures that the vault manager has the systems, mechanism, and related IT infrastructure to provide encrypted transmission of information to the bullion depository and system-based reconciliation of data between the vault manager and bullion depository.

Vaulting Infrastructure



Vault Manager

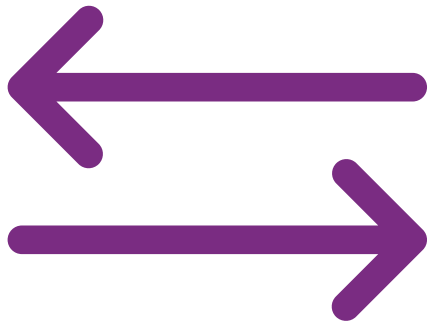
The vaulting infrastructure in GIFT IFSC includes facilities for the storage of the bullion.

Currently, 3 Vault Managers in GIFT IFSC have been registered by the Authority.

The total capacity of the vaults in the GIFT IFSC is approx. 420 tonnes of gold and approx. 2,200 tonnes of silver.

One Additional Vault has also been established in J MATADEE FTWZ, Chennai, expanding the vaulting infrastructure in other parts of the country and increasing the delivery centers.

Bullion Market Intermediaries



Intermediary

Trading members (TM) are entities which execute trades on their own account as well as on behalf of their clients on the recognised exchanges.

A clearing member (CM) is an intermediary that is responsible for clearing and settlement of all trades executed by a Trading Member.

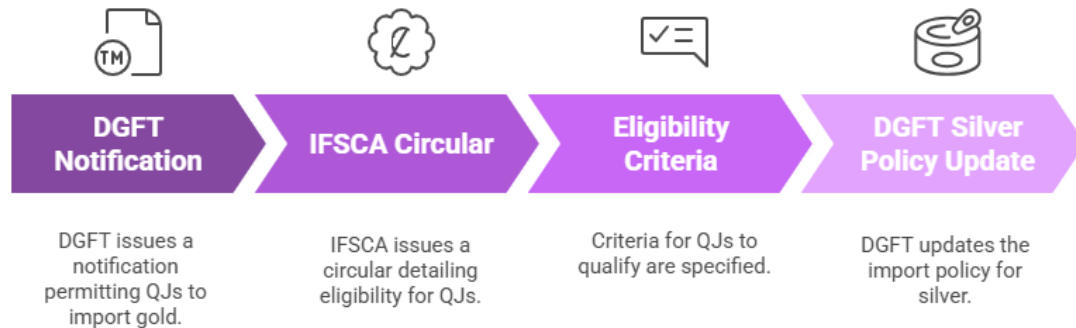
The Bullion Market Intermediaries can be registered in the capacity of

- Bullion Trading member (Bullion TM),
- Bullion Trading and Clearing member (Bullion TCM),
- Bullion Trading cum Self Clearing Member (Bullion TSCM) and
- Bullion Professional Clearing member.

Import of Bullion through IIBX

Qualified Jeweller (QJ)

Qualified Jewellers are resident entities can undertake imports of bullion through IIBX provided that they fulfil the criteria prescribed by IFSCA.

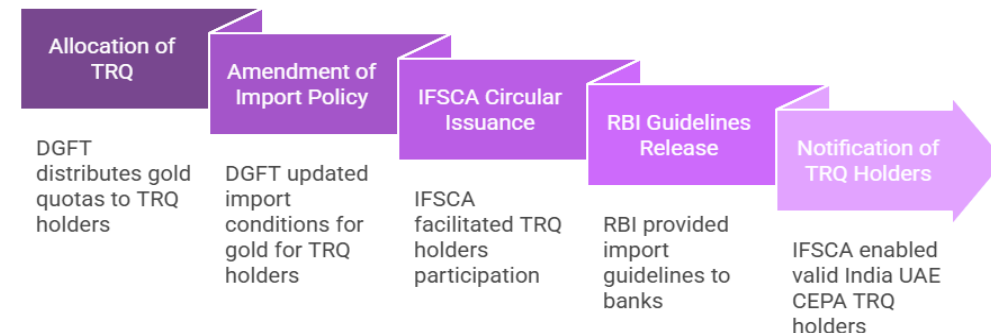


QJs can import Gold and Silver through IIBX

Valid India UAE CEPA TRQ Holders

- India and UAE have signed a Comprehensive Economic Partnership Agreement (CEPA) on February 18, 2022, to promote bilateral trade in bullion, and gems and jewellery sectors.
- Under the India-UAE CEPA, India can import a certain quantity of gold (Tariff Rate Quota) from the eligible UAE entities every year with customs duty 1% lower than the prevailing rate.
- The said TRQ is allocated to eligible Indian entities (India-UAE CEPA TRQ holders) by DGFT

Import for Valid India UAE CEPA TRQ Holders through IIBX





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