Sale of Gold/Silver/Platinum
(Circular No.IBS. 2013/23.67.001/2000-01 dated April 4, 2001)

IBS. 2013/23.67.001/2000-01

April 4, 2001

All the Banks Authorised to Import
Gold/Silver/Platinum

Dear Sir,

Sale of Gold/Silver/Platinum

Recently it has come to the notice of RBI that some banks had to face difficulties in realization of Pay Orders in the conduct of bullion business. While the banks are required to ensure normal banking prudence in respect of all financial instruments, in the context of trading in bullion (gold, silver and platinum) they are advised to release gold only against full realization of value or proceeds of instruments. In respect of gold sold on unfixed basis banks are advised to collect 100 per cent margin in cash for the provisional value of gold and a suitable additional margin to take care of likely price fluctuations. Banks are further advised that, where gold is sold on unfixed basis, they should follow the uniform practice of settling the transaction within 5 days.

2. Please acknowledge receipt.

Yours faithfully,

(J.G.Gupta)
General Manager