



INDIA INTERNATIONAL DEPOSITORY IFSC LIMITED

1. Standard Operating procedure for Deposit of Bullion

Prerequisite: Every eligible depositor / client shall have the Demat account with the bullion depository for the process of Depositing / Withdrawal from the empaneled Vaults.

Depositor shall deposit only Good Delivery Bullion from the list of refiners which are approved/permitted by India International Bullion Exchange (IIBX) from time to time. Depositor shall also submit Know Your Depositor (KYD) details in the format prescribed by IIBX from time to time.

The process of Deposit of Bullion:

- Depositor will check with the Vault Manager in advance for adequate space for depositing Bullion with them.
- A depositor shall place a request for the deposit of the bullion to a Depository. Request should come to the depository in a specified format (deposit form) duly signed by the BO / authorized signatory from the designated email ID. Along with Deposit Request form, BO has to submit certain documents:
 - Airway Bill
 - Custom Invoice (If applicable)
 - Packing list (including Refiner's certificate)
 - Bill of entry (if available)
 - Know Your Depositor (KYD) Details including Enhanced Due Diligence Submitted to the Exchange (One time)
 - Country of Origin Certificate, Where applicable
- Maker at depository will capture the necessary details like BO ID, ISIN, Description of Bullion ISIN, Number of Units, LSP details, Total Qty, (as per Deposit Request Form).
- Checker at depository will verify the said details in the depository system and either approves / rejects the request.
- Unique record shall be created (if approved) based on the above information and the same shall be shared with Vault manager electronically.
- SMS for initiation of Bullion Deposit Request is generated by Bullion Depository and sent to Client's / Authorized Representative's registered mobile number.
- SMS which contains Internal Reference number will then show it to Vault Manager by the Client.
- Vault Manager will do the Maker – Checker entry at SEZ Online system for Intra SEZ Transfer from LSP / Client to Bullion Depository.

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- Depository will accept the entry at SEZ Online system for Intra SEZ Transfer.
- Vault Manager shall enhance the above created record by entering:
 - BAR number
 - Weight of the Bar
 - Fineness of the Bar
 - Refinery name
 - Packing details as mentioned by Foreign Supplier / Client post verification
 - Bill of Entry (if not captured earlier).
 - Intra SEZ Transfer ID
 - Unit of Measurement
 - Depositor Details
- The Vault Manager, or any person authorized in this behalf, shall ensure the completion of all necessary documentation including signatures before acceptance of the metal in the vault.
- Vault Manager shall ensure that they shall accept bars only from the approved refiners list specified by the bullion exchange / Clearing Corporation / Bullion Depository from time to time.
- The Checker at vault will verify the same and confirm the receipt of physical bullion and electronically provide the details of said bullion to the Bullion depository.
- Based on the information received from the Vault Manager and all criteria fulfilled, the Bullion Depository will do the Maker – Checker in the depository system to generate and issue a Bullion Depository Receipt (BDR) in dematerialized / electronic form with underlying bullion, bearing a unique identifier.
- Every bar accepted in the Vault shall have a unique BDR number.
- Simultaneously, the Units in electronic form will be credited to the BO account of the Depositor in the Bullion Depository.
- Vault Manager shall send the BDR information duly signed and stamped to the depositor for record and audit purpose.
- The Vault manager shall clearly demarcate the storage area meant for vaulting services for underlying bullions against BDR.

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- Vault Manager shall take necessary actions to maintain the quality and quantity of physical bullion stored in the vault.
- At the end of day, Vault Manager ensure that the physical inventory tallies with the Depository's record.

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2. Standard Operating Procedure for Withdrawal of Bullion

Following are the scenarios where withdrawal may be possible / needed:

1. Import of Metal into DTA (Bill of Entry, to be filed for Home Consumption)
2. Movement of Metal to another SEZ (Zone to Zone Bill of Entry, to be filed)
3. Intent to export the metal (Shipping Bill to be filed)

1. The procedure for Withdrawal of Bullion (DTA):

- Beneficial Owner, as defined under Regulation 2(1)(e) of IFSCA (Bullion Exchange) Regulations 2020 shall place a request for withdrawal of bullion to the Depository. Request should come to the depository in a specified format (withdrawal request form) duly signed by BO / the authorized signatory along with following document(s) from the designated/registered email ID.
 - Authority letter issued by Client to appoint LSP.
 - Any other documents as required and ask for by depository.
- On the receipt of the request from the BO, Maker at Depository will capture the necessary details in the depository system:
 - Withdrawal Request Number
 - Withdrawal Request Date
 - Safe Deposit Vault Service Provider ID & Name / Safe Deposit Vault ID & Name
 - SDV Location
 - Client ID & Client Name
 - ISIN
 - ISIN Description
 - Details of LSP
 - Client's address where Bullion will be delivered
 - Unit of Measurement
 - Qty
 - No. of Unit
 - Reason for Withdrawal
- Depository system shall ensure that FIFO or any other framework is followed and accordingly allot the BDRs to be withdrawn from the vault. The withdrawal can happen from multiple vaults depending on where the metal is stored based on the separate Withdrawal Request Vault wise.

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- The Checker at Depository will verify and confirm the same
- The said withdrawal request then goes to the Vault managers electronically.
- SMS for initiation of Bullion Withdrawal Request is generated by Bullion Depository and sent to Client's registered mobile number.
- Depository will do the Maker – Checker entry at SEZ Online system for Intra SEZ Transfer from Bullion Depository to LSP /Buying Client.
- SMS which contains Internal Reference number will then be shown to Vault Manager by the Client/ Authorized Representative.
- Vault Manager shall perform due diligence of documents and proof of identity verification of BO / Authorized Representative who has come to withdraw the bullion.
- For Gold:
 - Maker at Vault will capture the necessary details including BDR No, BAR serial number, weight of bullion, etc.
 - Checker at Vault manager will verify the same to initiate extinguishment of BDR in the depository system.
 - Vault Manager will accept the Intra SEZ Transfer entry which was captured by Bullion Depository in the SEZ Online system.
- Depository system will generate Extinguishment Summary duly digitally signed and stamped and same will be emailed to the client's registered email id by Depository.
- Client will file the Bill of Entry with Customs Dept. based on the Extinguishment summary provided by Bullion Depository and make the necessary payment of Custom Duty.
- Customs Dept. shall provide out of charge Bill of Entry to the client.

At the time of taking physical delivery of bullion based on withdrawal request submitted to the depository, following documents shall be submitted to the Vault Manager (as defined under Regulations 2(1)(hh) of IFSCA(Bullion Exchange) Regulations, 2020:-

- Out of charge Bill of Entry by Importer / DTA Bill of Entry.
- Proof of payment of customs duty (CD paid Challan)
- Packing List
- OCC gate pass copy from customs
- Any other documents as required and ask for by depository/vault manager.

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- The Vault manager shall not deliver the bullion to the BO until Out of Charge Bill of Entry & OCC gate pass copy from customs is produced by Beneficiary Owner/Authorized person.
- The vault manager also will have to take an acknowledgement duly signed by the BO for the records. One copy of such acknowledgement will be retained with Vault Manager and one copy will be given to the BO.
- On the extinguishment of BDR, dematerialized / electronic balance will be reduced from BO account to that extent that is marked as withdrawn by the BO from the vault manager.
- Subsequently, Vault Manager will provide BDR extinguishment form along with acknowledgement of Delivery by Client to Depository.

With respect to the extinguished BDRs, the audit trail shall be maintained

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3 - CUSTOMS CLEARANCE PROCESS

As per the existing practice the Custom Clearance Process is prepared with objective to assist the Qualified Jewelers and the customer who is importing the Bullion in getting familiarize with process. Final process of custom clearance is sole discretion of custom authority

- IIDI will send email of extinguishment summary report alongwith Annexure to customer at its registered email address.
- Customer will send the necessary details to custom house / handling agent (CHA) for filling Bill of Entry to custom department using SEZ online portal (<https://www.sezonline-ndml.co.in>)
- CHA will fill Bill of Entry on SEZ online portal
- Custom officer will verify the details of Bill of Entry on SEZ online portal if find it correct he approves the documentation aspect and advise for the payment of custom duty else the observation noted by the custom officer needs to be regularize.
- If approved then CHA will pull out mandate form from SEZ online portal and will intimate the customer to pay the custom duty
- Customer will pay the custom duty using ICEGATE system (<https://epayment.icegate.gov.in/>) which is synced with SEZ online system
- Payment reference number will be sent to CHA by customer, CHA will check the SEZ online system to verify that custom duty payment is reflected in the SEZ online system.
- Once duty is reflected then CHA will follow up with custom officer for out of charge
- Custom officer at its discretion will carry out physical examination of bullion.
- Physical examination will be carried out if no irregularity is observed the custom will give clearance for out of charge which is known as out of charge bill of entry , out of charge bill of entry document contain Bill of Entry, status, examination, duty payment details.
- Vault official will make three set in which primarily documents will be out of charge bill of entry, BDR extinguishment, customer acknowledgment documents.
- On vault's office copy, custom outward stamp will be affixed which will contain date, time and the vehicle number
- Customer will give acknowledgement to the vault official on BDR acknowledgement receipt which confirm the delivery of bullion.

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